THE UTILITY OF THE TEXAS AWARD FOR PERFORMANCE EXCELLENCE CRITERIA AS A FRAMEWORK FOR ASSESSING AND IMPROVING PERFORMANCE EXCELLENCE IN THE TEXAS A&M FOUNDATION: A CASE STUDY

A Dissertation

by

SHERRYL LEIGH WINE

Submitted to the Office of Graduate Studies of
Texas A&M University
in partial fulfillment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

December 2011

Major Subject: Educational Administration

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Chair of Committee,	Bryan R. Cole
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ABSTRACT

The Utility of the Texas Award for Performance Excellence Criteria as a Framework for
Assessing and Improving Performance Excellence in the Texas A&M Foundation: A
Case Study. (December 2011)
Sherryl Leigh Wine, B.S., M.S.; Texas A&M University
Chair of Advisory Committee: Dr. Bryan R. Cole

In 2007 nonprofits became eligible to apply for the Malcolm Baldrige National Quality Award (MBNQA) and the state-level Baldrige-based Texas Award for Performance Excellence (TAPE). There exists minimal research on quality management frameworks to guide performance excellence in nonprofits and there is a lack of understanding regarding the applicability and utility of the MBNQA and TAPE Criteria as a framework for performance excellence for nonprofit organizations. This study looks at how one nonprofit organization deployed the TAPE Criteria framework across the organization and the extent to which organizational learning resulted and was integrated across the organization.

The qualitative case study utilized naturalistic inquiry methodology to chronicle situational themes and relationships that emerged during the organization's year-long process of preparing an application for the TAPE. The study took place in a natural setting and the researcher was immersed in the organization's experience as a participant-observer assisting with developing the application. Data collection methods included direct observation, interviews, and document analysis. The case study approach provided a context and perspective for other nonprofit entities seeking to assess and improve performance.

The TAPE Criteria framework is a systematic and structured approach to improving performance excellence and its methodologies are repeatable and based on facts and data. Leaders recognized the value of assessing the organization's current condition in a holistic manner, yet they distinguished and used only those parts of the Criteria that they found meaningful and effective. Leadership viewed the TAPE Criteria in light of how it could support its mission success, rather than supplanting management practices that had historically achieved organizational goals that met or exceeded customer needs and expectations.

The results of the study are relevant and may assist nonprofit executives and administrators in applying and utilizing Baldrige-based improvement methodologies. The information gleaned from the study will help administrators of the TAPE to improve the usefulness and functionality of the framework across all business arenas. TAPE administrators should benefit from the research as it provides information on how individuals experienced and learned the taxonomy of the framework.

DEDICATION

This work is dedicated to my family:
my parents, Jan and Dick Miller,
my mother-in-law, Mary Ellen Wine,
my children, John Robert, J. J., and Whitney Wine,
and my husband of 35 years, Bobby Wine.
I love you all. Thank you for your encouragement, support,
patience, wisdom, and most of all, your love.
The things worth having do not always come easy and more often than not there are hard choices and sacrifices. The time away from my family was the hardest sacrifice of all.

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It is so difficult to thank all of the people who support you in your personal and professional endeavors each and every day. Merely saying “thank you” seems insufficient and inadequate. I sincerely hope that, by naming these individuals, they understand how truly important they are in my life.

I want to first acknowledge my supervisors at Texas A&M for the past 23 years, Thomas G. Williams, Stephen Hodge, and Tom Reber. I extend my sincerest appreciation to each of them for encouraging and supporting me through three degree programs. Not only did they back my academic pursuits, but they allowed me to bring what I learned in the classroom into the workplace.

Appreciation and recognition also go to my colleagues in the University Center Complex (UCEN) for their patience and understanding during the stressful times and for their help and constant reassurance during the final phases of my dissertation and defense. I would especially like to acknowledge Joani Groce, Amber Hopkins, Bill Cox, and Stephen Senkel for picking up the slack when necessary. I am so fortunate to have you on my team.

To Sandi Osters, I want to express my gratitude for being my peer debriefer and for assisting me on the project interviews. To Merna Jacobsen, I want to say thank you for regularly asking me how my dissertation was progressing. Both women are inspiring and are wonderful role models.

I also want to thank the staff and executives at the Texas A&M Foundation. The whole organization graciously welcomed me into the fold for the year that I worked with them. I learned a lot about fundraising in higher education and came to appreciate the tremendous value that the Texas A&M Foundation and their donors bring to Texas A&M University.

I especially want to acknowledge the truly awesome professors on my doctoral committee. Dr. Eddie Joe Davis, Dr. Yvonna Lincoln, and Dr. Leonard Berry began the journey with me more than a decade ago. They are superstars in their disciplines and I was so fortunate to have them advise and guide me through the program. I would also like express my gratitude to Dr. Paul Busch for agreeing to sit on the Committee at the end of my program.

Finally, I offer my deepest appreciation to the chair of my Committee and my mentor, Dr. Bryan R. Cole. Dr. Cole is one in a million. He is the kindest and most noble man I know and he has my utmost respect, gratitude, and admiration.

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TABLE OF CONTENTS

Page

ABSTRACT iii

DEDICATION v

ACKNOWLEDGMENTS vi

TABLE OF CONTENTS viii

LIST OF FIGURES xi

LIST OF TABLES xii

CHAPTER

I INTRODUCTION 1

- Background 1
  - Performance Excellence 1
  - Continuous Improvement 2
  - Higher Education 3
  - Nonprofits 4
  - Malcolm Baldrige National Quality Award 4
  - Texas Award for Performance Excellence 5
- Statement of the Problem 6
- Purpose of the Study 7
- Research Questions 7
- Operational Definitions 8
- Assumptions 9
- Limitations 10
- Significance of the Study 10

II REVIEW OF LITERATURE 13

- The Case for Excellence 16
- Systems Framework 19
- Quality and Management Theory 27
- Baldrige Model 35
- Baldrige and Higher Education 40
- Baldrige and Nonprofits 44
- TAMF and TAPE 46

III METHODOLOGY 48

- Methodology 48
- Population 51

CHAPTER Page

Instrumentation 51
Procedures 53
Data Analysis 55

IV ANALYSIS OF THE CASE 58

Context 58
    Texas A&M University 58
    Texas A&M Foundation 61
Review of Grider Study 62
TAPE Application 65
Other Context Factors 71
The Interviews 73
Examination of the Data 75
    Research Question 1 76
    Research Question 2 85
    Research Question 3 94
    Research Question 4 100

V SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS 104

Summary of Findings 104
    Research Question 1 105
    Research Question 2 107
    Research Question 3 112
    Research Question 4 113
Conclusions 114
    Research Question 1 114
    Research Question 2 115
    Research Question 3 115
    Research Question 4 116
Additional Conclusions 117
    Testing Grider’s Study 117
    Other Findings 118
Recommendations to TAMF 120
Recommendations for Practice 122
Recommendations for Further Study 122
Lessons Learned 123
In Closing 124
Last Word 125

REFERENCES 127

APPENDIX A 135

Page

APPENDIX B 136
APPENDIX C 137
APPENDIX D 145
VITA 200

LIST OF FIGURES

FIGURE Page

1 The Baldrige Criteria for Performance Excellence Framework (*2011-2012 Criteria for Performance Excellence* (2011) 39

2 Texas A&M Foundation (TAMF) Strategic Plan (strategy matrix) 96

LIST OF TABLES

TABLE Page

1 Highest-Performing University Foundation Financial Officers Comparative Giving Fundraising Institutions.. 65

CHAPTER I

INTRODUCTION

The world is changing at a rate more rapid than ever before and consumers are becoming increasingly more demanding and value conscious. All business sectors are facing the twin dilemmas of escalating national and global competition and the need to constantly improve products and services to meet the needs and desires of present and future customers. Another management challenge that has come to the fore in the past decade is the destructive effect of executive avarice in companies such as AIG, Enron, and WorldCom, which is resulting in increased scrutiny of business practices by the government, industries, and a wary public. These trials are not necessarily new, as managers of every generation have dealt with the realities of interminable change. Still, the challenge confronting today's managers is to find management frameworks that, in the face of constant change, will facilitate the organization's quest for performance excellence to meet and exceed consumer expectations.

Background

Performance Excellence

"The pursuit of excellence is probably the noblest ambition in all of business" (Cound, 1992, p. 1). But what is excellence? How does one define the concept in such a way that it can be cultivated and members of an organization can bring it to life? The term *performance excellence* is defined in contemporary literature in several ways. Latham and Vinyard (2005) distinguished the concept as (a) enhanced value to customers, (b) improved effectiveness and business capabilities, and (c) organizational and personal learning (p. 460). Ericsson (2002) defined *excellence* as "consistently

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This dissertation follows the style of *The Journal of Educational Research.*

superior achievement in the core activities of a domain" (p. 5). Stankard (2002) identified four drivers of excellence: (a) economic opportunity, (b) plans and motivation, (c) world-class capability, and (d) balance between risk and return (p. 82). Cairns, Harris, Hutchison, and Tricker (2005) gave meaning to performance excellence by ascribing to it terms such as *standards, principles, goal achievement, outcomes, measurement* and *evaluation* (p. 135). M. G. Brown (2005) characterized performance excellence by what it is not, contending that performance excellence is not merely focusing on one aspect of the business or organization (pp. ix-x). This paper uses the term *performance excellence* as defined in the 2010-2011 Texas Award for Performance Excellence (TAPE) application booklet, *Criteria for Performance Excellence* (effective June 2009): "an integrated approach to organizational performance management that results in: (1) delivery of ever-improving value to customers and stakeholders, contributing to organizational sustainability; (2) improvement of overall organizational effectiveness and capabilities; and (3) organizational and personal learning" (p. 61).

Continuous Improvement

Numerous studies point to continuous systematic improvement as the means for achieving excellence at top-performing enterprises in the United States and around the world. In 1997 Blazey supported the concept that, to maintain and sustain a true competitive advantage, it is essential for organizations to cultivate an ethos of continuous improvement. In 2009 Blazey broadened the idea:

> The best competitors now know that long-term sustainability and market superiority require that they get better at getting better. The best organizations not only make improvements, but they improve their rate of improvement. They get better faster than their competition. (Blazey, 2009, p. xvi)

Recognizing the need for continuous improvement, for-profits and nonprofits are implementing quality business management programs as part of their performance excellence business strategies. Duffy (2004, p. 28) described a systematic improvement framework as having the following essential elements: (a) an integrated management system; (b) a philosophy of customer service, process improvement and total involvement; and (c) a program that engages elements of leadership, strategic planning, customer and market focus, human resources focus, process management, and business results.

Higher Education

Higher education is not unaffected by the pursuit of organizational efficacy, although a large majority of colleges and universities continue to operate without regard to the changing environment that circumscribes the world of academia. Seymour (1992) suggested that higher education can be likened to Henry Mintzberg's notion of professional bureaucracies, as organizations where trained professionals operate independently and work closely with their clients with little supervision from outside the profession. This model works well in a stable environment; however, as academia fails to recognize and respond proactively to issues that are important to the public and the government, such as rising costs, higher education is becoming the focus of attention for accountability and external quality controls.

> Given structural state budget deficits and increasing demands on the public purse, public higher education is going to have to be simultaneously more entrepreneurial and alert to its public purposes if it is to survive, and help the states and nation survive, in an increasingly competitive world. (Miller, 2006, p. 4)

In 1999 a movement was initiated to take action and develop quality principles that would guide improvement efforts in higher education. The Academic Quality Improvement Program (AQIP) provided two ways for colleges and universities to become involved with the organization: (a) by instilling continuous improvement into the philosophies through the accreditation process in conjunction with the High Learning Commission, or (b) by allowing institutions to use AQIP-sanctioned processes to energize continuous improvement efforts without the benefit of accreditation (Higher Learning Commission, 2011).

Nonprofits

Nonprofit enterprises are not immune from the management problems that face for-profit businesses, as they are answerable to their stakeholders for faithfully serving their constituencies, for spending wisely and maximizing use of limited resources, and for conducting business with integrity and honesty (Light, 2002). If the nonprofit sector is to benefit from increased organizational success and effectiveness, it must operate in a more businesslike manner; that is, nonprofits must focus on their customers, function in an ethical and transparent manner, concentrate on outcomes, and develop strategic relationships (Renz, 2001, p. 394). Cairns et al. (2005) described a variety of approaches that nonprofit managers are incorporating, such as Total Quality Management (TQM), best practice benchmarking, balanced scorecard, and outcome measurement. These methods are inherent in what is today called the quality management approach.

Malcolm Baldrige National Quality Award

On August 20, 1987, Congress enacted Public Law 100-107, inaugurating the Malcolm Baldrige National Quality Award (MBNQA). The MBNQA is named for a former Secretary of State, the late Malcolm Baldrige, who died in a rodeo riding accident in 1987. Baldrige was a champion for excellence and contributed to management efficiencies and improvements in government while in office. In recognition of his contributions, Congress named the annual award for organizational quality in his honor (National Institute of Standards and Technology [NIST], 2005). The award is administered by the Baldrige Performance Excellence Program, formerly known as the Baldrige National Quality Program. The benefits of the Baldrige

Performance Excellence Program encompass a range of economic and social aspects. According to the program website,

> Between 2005 and 2010, 482 U.S. organizations applied for the Baldrige Award. The 91 Baldrige Award winners serve as national role models. In 2010 alone, the 83 applicants for the Baldrige Award represented 277,700 jobs, 1,500 work locations, over $38.5 billion in revenues/budgets, and an estimated 80 million customers served. (Baldrige Performance Excellence Program, 2011, section 5)

The MBNQA criteria provide a coherent framework for implementing a quality program in business organizations (Wright, 2005). The criteria are based on what Stephens, Evans, and Matthews (2005) described as “a set of contemporary high-performance management practices” in six categories: (a) leadership, (b) strategic planning, (c) customer and market focus, (d) measurement, analysis and knowledge management, (e) human resources focus, and (f) process management, as well as a seventh category focused on results (p. 21). Many organizations have no intention of applying for the award but use the MBNQA criteria as a self-assessment tool and as the means for driving internal improvement (Calhoun, 2002).

Texas Award for Performance Excellence

The TAPE is a state quality management award program patterned after the MBNQA and the Baldrige Performance Excellence Program. In this report the terms *MBNQA Criteria* and *TAPE Criteria* are used interchangeably. Like the MBNQA, the TAPE was established with the intent of helping businesses in the state of Texas to excel in performance, quality, and customer satisfaction. The TAPE is administered by the Quality Texas Foundation (QTF), a nonprofit corporation established in 1990 under the advocacy of Texas Governor Ann Richards. With the support of Richards, the Texas Department of Commerce, and a group of Texas businesses, the QTF worked to make businesses in the state successful and more competitive by heightening performance improvement and excellence awareness. Subsequently, the EDS Corporation, a QTF partner, established a committee comprised of Texas business and education leaders to create a state quality award. The Texas Quality Award, later renamed the TAPE, was originally administered by the American Productivity & Quality Center but is now under the purview of the QTF.

The first TAPE applications were submitted in 1993 and the first awards were presented in the following year. Since that time, almost 200 Texas businesses have applied for the TAPE and 38 have received the award, recognizing their performance excellence efforts and accomplishments. As an additional benefit and to encourage all applicants, the TAPE award process offers improvement feedback from trained TAPE examiners.

> 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. (QTF, 2010, para. 6)

Statement of the Problem

There is minimal research on quality management frameworks used to guide performance excellence in nonprofits. Furthermore, there is a lack of understanding regarding the applicability and utility of the Baldrige Criteria as a framework for performance excellence for nonprofit organizations. It is important to add to the body of knowledge because in 2007 a nonprofit sector was added to MBNQA eligibility.

This study examined how one nonprofit enterprise, the Texas A&M Foundation, utilized the Baldrige-based TAPE Criteria and how it implemented the Criteria as part of its management strategy to propel the organization toward improved organizational performance, increased competitive advantage, and organizational learning.

Purpose of the Study

The purpose of the study was to determine the utility of the TAPE Criteria as a framework for assessing and improving performance excellence in the TAMF. The benefit of the study was to articulate the effectiveness of the TAPE Criteria as a management framework in a nonprofit environment and to convey how nonprofit leaders can apply the Criteria to achieve and sustain performance excellence in their organizations. The study also undertook the task of describing how TAMF members utilized the TAPE Criteria and how they used the experience of applying for the TAPE to propel the organization toward improved performance and organizational learning. The research endeavor provided additional insight by including how and why some persons in the organization embraced the framework while others resisted its utility and rejected its value.

Research Questions

The study addressed four research questions:

1. To what extent did the TAPE Criteria serve as an effective framework for assessing the organization and improving performance excellence for the TAMF?

2. To what extent did the TAPE Criteria influence the leadership deployment of strategic planning; customer and market focus; measurement, analysis, and knowledge management; workforce focus; process management; and business results in the TAMF?

3. To what extent did the TAPE Criteria serve as a guide for developing an effective leadership strategy for identifying and aligning organizational and personal learning to strategic priorities?

4. To what extent did TAMF staff members embrace the TAPE framework as a strategy for assessing and improving performance excellence in the TAMF?

Operational Definitions

Baldrige Criteria for Performance Excellence: A systems perspective for understanding performance management. The Criteria reflects validated, leading-edge management practices against which an organization can measure itself. With their acceptance nationally and internationally as the model for performance excellence, the Criteria represent a common language for communication among organizations for sharing best practices. The Criteria is also the basis for the MBNQA process (NIST, 2009).

Framework: The basic elements necessary for an organization to function using a systems perspective.

Performance Excellence: An integrated approach to organizational performance management that results in (a) delivery of ever-improving value to customers and stakeholders, contributing to organizational sustainability; (b) improvement of overall organizational effectiveness and capabilities; and (c) organizational and personal learning (NIST, 2009).

Performance Excellence Values: An interrelated set of values and concepts: (a) visionary leadership, (b) customer-driven excellence, (c) organizational and personal learning, (c) valuing workforce members and partners, (d) agility, (e) focus on the future, (f) managing for innovation, (g) management by fact, (h) societal responsibility, (i) focus on results and creating value, and (j) systems perspective. These values and concepts are embedded beliefs and behaviors found in high-performing organizations. They are the foundation for integrating key performance and operational requirements within a results-oriented framework that creates a basis for action and feedback (2011-2012 Criteria for Performance Excellence, p. 49).

Texas A&M Foundation (TAMF): A private, nonprofit corporation created in 1953 to solicit, receive, invest, and disburse private gifts for Texas A&M University (TAMU). TAMF also directs university-wide, major gift fund-raising activities and provides asset management services in support of educational excellence at TAMU in College Station, Texas.

Texas Award for Performance Excellence (TAPE): An annual recognition of Texas organizations that excel in performance, quality, and customer satisfaction. The benefits of participation are in the self-assessment that occurs during application, and the extensive feedback report prepared for the applicant by a team of trained, certified examiners who review and analyze the application (QTF, 2010, p. i).

Texas Award for Performance Excellence Criteria: A systematic management framework based on the Baldrige Criteria for Performance Excellence; the seven dimensions critical to high performing organizations are (a) leadership, (b) strategic planning, (c) customer-market focus, (d) knowledge and information management and analysis, (e) workforce focus, (f) process management, and (g) results

Utility: The perceived usefulness of a framework or processes to its purpose and intended users (NIST, 2009).

Assumptions

1. The approach and design of this research project was logical. The methods and processes used were appropriate for the research environment, were repeatable, and were based on reliable data and information.

2. The research participants self-reported competently and their responses were objective and honest. In recognition that research participants can behave differently when they know they are being studied, interview protocols were used to address credibility and trustworthiness. One of the protocols utilized was informed consent; the

TAMF members were told of the purpose and scope of the research project at the outset of the study and they were advised that their responses would be anonymous.

3. TAMF members were able and willing to devote time to group and individual interviews.

4. TAMF members understood the language of the TAPE Criteria.

Limitations

1. The study was limited to the case under investigation: the TAMF in College Station, Texas.

2. The study was limited to the information acquired from the literature review, individual and group interviews, document review, and personal observations and experiences of the researcher with the TAMF organization.

3. TAMF members may have felt influenced to respond in a particular way to the researcher.

4. The study was limited in time dimension to an assessment of changes during the period of observation. Longer-term changes, improvements, and other considerations should be assessed through multiple cycles of improvement over time.

Significance of the Study

According to Light (2002), organizations cannot know where they are going without understanding where they are. There is a variety of business management methodologies for today's for-profit and nonprofit businesses, yet no one approach will fit every situation. The TAPE framework, which is based on the Baldrige Criteria, offers an intentional management system that can be utilized by nonprofits as well as by for-profit businesses.

Much has been written about the Baldrige Criteria. There is a proliferation of literature regarding the use of the Baldrige Criteria in industry, the medical field, and education. However, the literature on the usefulness of the Criteria as a means of assessing and improving performance excellence in nonprofits is scarce. The results of this study will be useful in filling that gap.

The study chronicled situational themes and relationships that emerged in the TAMF during the organization's TAPE application experience. TAMF leadership will use the results to determine the TAPE's usefulness and practicality relative to the design and execution of processes, in the selection of appropriate measures of results, and for managing and assessing cycles of process improvement. It will also help them to ascertain how the organization approached and deployed the framework, what learning took place as a result of the framework, and the extent to which organizational learning was integrated across the organization.

This study of the TAMF, a unique nonprofit entity, and how it utilized the TAPE Criteria is beneficial in other ways. It provides a context and perspective for nonprofit entities seeking to assess and improve performance. The results of the study are relevant and may assist nonprofit executives and administrators to utilize Baldrige-based improvement methodologies that will subsequently give them a competitive advantage. This is significant for nonprofits, as unfavorable economic conditions and limited available resources are making it more and more difficult to accomplish missions and meet the needs of constituencies. It is especially important for nonprofit fundraising organizations related to higher education because reduced government funding and a decrease in giving rates from aging college alumni could have significant impact on the future of higher education (Strout, 2006).

The information gleaned from individual experiences in the TAMF case will help administrators of the TAPE to improve the usefulness and functionality of the framework across all business arenas. The research also contributes to enhanced understanding of how the Criteria are relevant and can be used by nonprofit fundraising organizations. By looking carefully at how the TAMF went about applying for the award and how they used the TAPE Criteria to assess and improve their performance, similar organizations can envision their own performance excellence journeys. TAPE administrators should benefit from the research because it provides information on how people were able to grasp the Criteria and performance excellence concepts and how they experienced and learned the taxonomy of the framework.

CHAPTER II

REVIEW OF LITERATURE

According to Rowley and Slack (2004), “All research needs to be informed by existing knowledge in a subject area” (p. 31). Hence, the focus of this qualitative research study was to examine the utility of the TAPE Criteria as a framework for the nonprofit TAMF for assessing and improving performance excellence. The review of literature is focused on bodies of work that are relevant to the subject, that can serve as a guide for analyzing problems related to the subject matter, and that can help to establish a theoretical and contextual foundation from which to approach the research questions. This chapter provides an examination of key literature associated with the TAPE and the utility of using the TAPE Criteria to produce value-added practical results for customers and the organization and to provide for organizational and personal learning.

“Qualitative research offers insights into systems functioning, organizational behavior, and individual values (Schneider, 2006, p. 393). Consistent with Schneider’s view, five major themes are presented in this review of the literature: (a) the relevance of performance excellence in a variety of organizations, (b) the significance of systems and systems theory to performance excellence, (c) the history of the quality movement, (d) the evolution and influence of the Baldrige-based TAPE Criteria, and (e) the value of applying the TAPE Criteria to nonprofit endeavors. In addition, the review of literature incorporates secondary themes: (a) increased emphasis on instilling quality management methodologies in higher education, (b) the usefulness of improving operational quality and making decisions that add value to programs and services, and (c) the importance of corporate responsibility that should lead organizations to develop business methodologies aimed at guiding managers to “think before you act.”

The primary purpose of conducting this research study was to communicate how one nonprofit organization, the TAMF, went about utilizing the Baldrige-based TAPE Criteria and how it used the award application experience to move the organization toward improved performance and organizational learning. The TAMF, originally named the Texas A&M College Development Foundation, is an independent, nonprofit fundraising organization established in 1953 by a group of distinguished former students whose objective was to strengthen fundraising efforts and advance the goals of TAMU (TAMF, 2010). The financial contributions made by dedicated donors over the past 50+ years have caused the initial modest investment to the foundation grow to more than one billion dollars. These funds play a significant role in advancing the TAMU mission relative to students, faculty, staff, education, and research, as well as the academic environment. The financial contributions by TAMF are especially important to the university's economic condition as competition increases for resources that are becoming scarcer. The study of a framework for assessing and improving performance in the nonprofit TAMF is therefore relevant and necessary to continued improvement of TAMU and subsequently to higher education.

While it is a cliché to say that the world is changing at a rate more rapidly than ever before, the sentiment was noted repeatedly in the research literature that spanned a period of years from the 1920s through current day. No doubt, the world *is* changing at an ever-increasing rate; thus, it should come as no surprise that consumers worldwide are making demands on their product and service providers to keep pace with the changes. Stainer (2006) defined the corporate situation:

> The lifecycle of organizations has significantly altered in recent years in that they have become more dynamic and have to face constant challenges by accepting the fact that they are not just profit-driven, purposive entities. In the twenty-first century there are increasing pressures on formulating, implementing and monitoring strategic policies arising from such issues as globalization, sustaina-

> bility, demographic and technological advances as well as social responsibility. (p. 259)

Stainer's statement implies that consumers have high expectations as resources become more limited and society and the environment become more global and technology driven.

News reports of large organizations and corporations engaging in acts of extraordinary greed and malfeasance are similarly triggering relentless consumer reaction; the public is resolute in their insistence that all decision makers be accountable for their words, actions and behavior. To illustrate the public sentiment, Stainer (2006) quoted Konosuki Matshushita, the founder of Panasonic: "'People need a way of linking their productive lives to society. Profits should not be a reflection of corporate greed," he explains, ''but a vote of confidence from society that what is offered by the firm is valued'" (p. 254). Stainer expanded on Matsushita's statement, adding that society expects business organizations to carry out their dealings in a manner that is a "bedrock of good ethical behavior seen, not as an 'add-on phenomenon,' but as a key determinant of the very essence of an inclusive and civilized business for its survival and long-term performance" (p. 254).

Like their corporate cousins, higher education institutions are searching for ways to distinguish themselves from their competition; to a greater extent, they are focusing on systematic organizational and performance excellence as the way to accomplish this goal. The increase in globalism and competition in higher education is forcing universities and colleges to find ways to transform the institution to meet public and corporate demand and expectations (Patton, 2007).

It follows that on February 17, 2009, President Barak Obama signed Public Law 111-5, The American Recovery and Reinvestment Act of 2009 (ARRA), a bill highly publicized as an opportunity for states and educational institutions to use one-time federal funds to meet increasing costs in education and increase academic quality and effectiveness. Unfortunately, the ARRA funds are not permanent, nor did the law provide guidelines for how states should spend them in the area of higher education. In 2009 three nonprofit agencies associated with higher education policy and decision making—The Delta Project on Postsecondary Costs, Productivity, and Accountability (Delta Project, 2009), the National Center for Public Policy and Higher Education (NCPPHE), and the National Center for Higher Education Management Systems (NCHEMS) collaborated to produce the following joint policy statement which describes the dilemma facing higher education:

> The collision between constrained public funding and the need to increase post-secondary access and degree attainment is by now well documented. The problem stems from structural pressure on state budgets, growing dependency on tuition revenues that harm access and opportunity, and institutional cost structures that require unsustainable funding increases. (Delta Project, NCPPHE, & NCHEMS, 2009, p. 1)

The NCPPHE (2009) stressed in a related report that governors, legislatures, and governing boards “must devise and implement strategies to preserve college opportunity while stimulating innovations to prepare for a future that will require enhanced access, quality, cost-effectiveness and productivity” (final para.). Thus, the funding contributions made by a higher education fundraising or development organization such as TAMF are highly significant to the economic condition of a college or university.

The Case for Excellence

Recognition of the significance of high performance to the well-being of an organization is not a modern phenomenon. The ideal of performance excellence is practically ageless, as noted by the words of philosopher Aristotle.

> Excellence is an art won by training and habituation. We do not act rightly because we have virtue or excellence, but we rather have those because we have acted rightly. We are what we repeatedly do. Excellence, then, is not an act but a habit.—Aristotle

For the purposes of this paper, *organizational performance excellence* is defined as "an integrated approach to organizational-performance management that results in (1) delivery of ever-improving value to customers and stakeholders, contributing to organizational sustainability; (2) improvement of overall organizational effectiveness and capabilities; and (3) organizational and personal learning" (TAPE, 2011-2012 Criteria for Performance Excellence, p. 60). Blazey (2009) endorsed the concept of performance excellence and stressed the importance for organizations to cultivate an ethos of continuous improvement if they are to maintain and sustain gains over competitors.

> No longer is routine improvement sufficient to create a competitive advantage. The best competitors now know that long-term sustainability and market superiority require that they get better at getting better. The best organizations not only make improvement, but they improve their rate of improvement. They get better faster than their competition. (Blazey, 2009, p. xvi)

Likewise, numerous other studies point to continuous systematic improvement as the means for achieving excellence at top-performing enterprises. For example, the Mayo Clinic is recognized as the leading health care brand in the United States. After an extensive study of the organization, Berry and Seltman (2008) reported, "Mayo Clinic is not content to be a leader in a cluster of excellence, so it has embarked on an aggressive effort to widen the distance between its measured quality and the rest of the best" (p. 247).

Performance excellence is defined in many ways and terms. Light (2002) used expressions such as *organizational effectiveness* and *high performance*. "High performance can only be achieved and sustained if an organization knows why it exists, who it serves, and when it is successful" (p. 46). Managers should also assess the organization to determine what is working and functioning effectively (organizational equilibrium) and what is out of balance. When there is need to initiate change to bring the organization back into balance, leaders should develop a change strategy and clearly communicate it to all appropriate members of the organization. To be effective, a change strategy should include five design elements: (a) the business situation, (b) business strategy, (c) design elements, (d) culture, and (e) business results. Of these elements, *culture* establishes how the organization works (Hanna, 2001). Hanna explained that values and assumptions are at the crux of the organization's culture and that culture and values are interrelated; consequently, they affect what people do at work, their work arrangement, the reward structure, decision making, information exchange, and the persons relative to their work and work environment (p. 172).

Frise (2004) defined organizational culture as "the unspoken rules of how operations are conducted and the accepted status of the participants" (p. 19). Morrill (2008) stated that in the 1980s researchers developed the idea of an organizational culture framework made up of "systems of meaning and symbols." He noted that, as a result of institutional and ethnographic studies conducted in the mid-20th century, new organization theories emerged that emphasized "the cultural-cognitive construction of organizational structures and practices" (p. 16). Chaffee, Tierney, Ewell, and Krakower (1988) provided the context in which to explore elements of organizational culture:

> The role of symbols and the symbolic dimension of instrumental decisions and actions
>
> Organizational saga or the role of history and the varied modes of its interpretation
>
> The role of time and space as cultural parameters and their use in leadership and decision-making styles
>
> The use of information as a token in a cultural system of exchange and its relation to power and position. (pp. 5-6)

The authors also identified two diametric theories about organization: (a) the traditional paradigm, which focuses on objective facts to rationalize organizations, and (b) the cultural paradigm, which explains how organization members actualize reality through social construction (p. 10).

No doubt, managers must work within the context of a dynamic environment in cultivating a change strategy to improve and assess performance excellence. Without something to hold on to for balance and orientation, a manager runs the risk of losing his or her frame of reference. Having a set of core values that is communicated and acknowledged throughout the organization grounds the organization and its members. Core values are institutional beliefs that endure over time and govern the organization's activities and actions.

Systems Framework

To appreciate what is meant by organizational performance excellence, it is important to understand systems. The extensive literature on systems theory provides a wide range of definitions of the concept. According to Deming (1994), "A system cannot understand itself. The transformation requires a view from outside . . . a lens—that I call a system of profound knowledge. It provides a map of theory by which to understand the organization we work in" (p. 92). Deming's theory of profound knowledge provides perhaps the preeminent explanation, setting the backdrop for understanding systems. The theory has four parts: (a) an appreciation for systems or systems thinking, (b) knowledge of variation, (c) the theory of knowledge, and (d) knowledge of psychology or the understanding of human behavior (p. 93).

The first part of Deming's (1994) theory defines a *system* as a group of interrelated parts that work together to accomplish a common purpose. A system's parts are inherently interrelated, signifying reliance of support or relationship among them; thus, each part assumes an obligation to strengthen or benefit and not to compromise the larger body. A system has a common purpose and all parts are arranged in a specific order to accomplish that purpose; consequently, if the parts are arranged randomly or are misaligned, the system will not function as intended. All parts may work in isolation but a chaotic arrangement will negate the ability for the parts to communicate the common purpose and will signal that something is out of place (p. 95).

Dettmer (1995) defined a *system* as "an interrelated group of processes that receive inputs from the external environment, act on them in some way, and produce an output that is supposed to be of greater value than the sum of its parts" (p. 78). He illustrated the concept by comparing it to a mosaic; when the montage of pieces is complete, it depicts a discernible image. While each piece of the mosaic is important, the greatest value of each piece lies in its interconnectedness with the pieces around it.

Jackson (2001) advocated using systems thinking in approaches to problem solving because the methodologies focus on the comprehensive, interrelated, and evolving aspects of multifaceted conditions in organizations (p. 234). "The systems concepts enshrine a commitment to 'holism' to looking at the world in terms of 'wholes' that exhibit emergent properties, rather than believing, in a reductionist fashion, that insight comes from breaking wholes down into their fundamental elements" (p. 234). Similarly, Faulkner (2002) asserted, "A key to understanding the systems view is recognizing its inclusion of internally regulating systems while maintaining a connection to the larger, outside environment" (p. 29). Using as an example a business system, product defects or customer complaints are performance indicators that signal whether the parts of an organization (system) are synchronized. Likewise, in a higher education setting, matriculation and student retention rates are performance indicators for colleges and universities; a disorderly system might present as decreasing matriculation rates or low student retention.

The second aspect of profound knowledge involves *variation*, defined in basic terms as something that differs from the norm. Deming (1994) stated that there is an element of variability in a system that is inevitable; that is, variation in a system and its processes is natural and managers have a responsibility to keep it within a level of predictability. Deming noted that variation provides information and focuses attention on the process, not the individual, thus encouraging business managers to concentrate on data and facts (p. 168).

The knowledge of psychology is the third element of the theory of profound knowledge. Deming (1994) contended that managers should have a reasoned understanding of people. This aspect essentially addresses the idea that people are unique in how they learn, in how they are motivated, in their communication styles, in the way they interact with others, in how they deal with change, and in the way their job performance is affected by the work environment.

The fourth component is based on the theory of knowledge, readily understood as the ability to predict.

> Behavioral evidence suggests that individuals often take actions on the basis of theories that are unrecognized, unstated, untested, and often wrong. . . . One solution is to educate employees at all levels of the organization to make regular, effective use of science in decision-making and problem-solving so as to improve their ability to create and use better theories. (Jensen & Wruck, 1994, pp. 252-253)

Too often, people act on intuition or vague feelings without any notion of what they expect after the action. Having the ability to make predictions based on a theory and to analyze subsequent results increases organizational and personal learning, thus augmenting performance and enhancing the opportunity to accomplish performance excellence. Deming (1994) was clear about the significance of the relationships among all four parts of his profound knowledge theory. He emphasized, “The various segments of the system of profound knowledge proposed here cannot be separated. They interact with each other" (p. 93).

Building on the foundation of profound knowledge, another important aspect contributing to performance excellence is organizational theory, or the manner in which businesses and institutions arrange and systemize themselves. Two key components of an organization are its economic capital and its social capital. Woolcock (1998) explained that, prior to the 1960s, traditional economists made reference to economic capital as assets that generated income, such as land, labor and physical resources (p. 154). Social capital was described as "norms and networks facilitating collective actions for mutual benefits" (p. 155). Social capital, also described as social networks, includes people who trust and assist each other, which can be a powerful asset in the organization. The quality of these networks and relationships in firms leads to a state in which the individuals and the organization consider each other when something must be accomplished to the mutual benefit of both parties. Woolcock indicated that the value that is garnered as a result of connections between individuals and entities goes hand-in-hand with economic capital and serves as a valuable mechanism for economic growth (p. 188). According to Andrews (2010), organization theorists suggest that social capital can also be used for improving organizational performance (p. 583). From 2003 to 2005, Andrews conducted a study of the performance of more than 100 organizations. The results indicated statistically positive relationships between performance and the social capital aspects of knowledge transfer and human relations within organizations. His survey shows how organization arrangement affects economic and social capital.

Schneider (2009) proposed adding cultural capital to economic and social capital. *Cultural capital*—knowledge, skills, customs, beliefs, and education—is a concept developed by Pierre Bourdieu, who described the basic forms of capital as economic, cultural, and social (Bourdieu, 1989, p. 17). As Schneider described, the cultural capital factor is taken from an anthropological perspective and is defined as "a complete way of life rather than unique symbols, behavior patterns, and values" (p. 651).

In the second half of the 20th century, three key perspectives of organizational theory emerged: (a) classical organization theory, encompassing scientific management, bureaucratic management and administrative theory; (b) human relations theory; and (c) the systems approach. "Frederick W. Taylor (1856-1915) is best known for defining the techniques of scientific management, the systematic study of relationships between people and tasks for the purpose of redesigning the work process to increase efficiency" (George & Jones, 2004, p. 33). Taylor, often referred to as the founder of "scientific management," contended that the road to efficient production was to increase specialization and divide the labor force. He posited that the interests of the employer and the employee were analogous, and he identified four principles to increase efficiency in the workplace:

> Principle #1: Study the way employees perform their tasks, gather all the informal job knowledge that employees possess, and experiment with ways of improving the way tasks are performed.
>
> Principle #2: Codify the new methods of performing tasks into written rules and standard operating procedures.
>
> Principle #3: Carefully select employees who possess skills and abilities that match the needs of the task and train them to perform the task according to the established rules and procedures.
>
> Principle #4: Establish a fair or acceptable level of performance for a task and then develop a pay system that provides a reward for performance above the acceptable level. (p. 35)

Max Weber is widely known for his seminal work in bureaucratic theory (Nirenberg, 1978). His perspective is often described as mechanistic. Weber focused on dividing organizations into hierarchies, official autonomy, instituting clear lines of authority and control, and a high level of specialization. Weber suggested that organizations develop comprehensive and detailed standard operating procedures for all routinized tasks. Also embedded in this classic approach to organizations was the notion of obedience. Kumar and Mittal (1995) illustrated this notion, referring to the family unit as the earliest example of an organization.

> The concept of family itself required that life be organised and resources of food be apportioned in a manner to so as to maximize their usefulness. Taking proper steps to safeguard the family from attacks by wild animals, planning on where to go hunting and whom to go with are all subtle ingredients of management, group dynamics and organizational behavior. (p. 7)

Similar aspects of obedience in an organization were also featured early and prominently in the military, a condition that holds true today. The traditional bureaucratic organization has a functional approach to management, often illustrated as a pyramid with "top-down" authority (Frise, 2004, p. 23). The hallmarks of this approach are order, precision and consistency and the notion that management cannot trust employees to carry out their responsibilities.

"Beginning in the 1920s, social scientists accidentally 'discovered' and then empirically mapped the social psychological contours of shop floor norms and sentiments, thus giving rise to the 'human relations' school" (Morrill, 2008, p. 16). The human relations view was critical of the classic traditional method, claiming that it failed to consider human interactions within the organization. "While the human relations approach was developing, two psychologists, Maslow and Herzberg, working separately, made significant contributions to the understanding of human needs and the elements which proved to be satisfying and dissatisfying to the worker (Nirenberg, 1978, p. 4). In developing his theory of motivation, Abraham Maslow (1943) proposed the following tenet:

> Human needs arrange themselves in hierarchies of prepotency. That is to say, the appearance of one need usually rests on the prior satisfaction of another, more pre-potent need. Man is a perpetually wanting animal. Also no need or drive can

> be treated as if it were isolated or discrete; every drive is related to the state of satisfaction or dissatisfaction of other drives. (p. 370)

Maslow's hierarchy of needs theory is almost always depicted as a segmented pyramid (e.g., Huitt, 2007). The constructs of the theory are five categorized needs, organized and ranked, with the most basic need (physiological) forming the foundation of the structure and other needs placed higher on the pyramid (safety, love/belonging, esteem and self-actualization). Supporting Maslow's concept, Huitt noted that the needs at the bottom of the pyramid must be met before one can move to the next higher level. The four lower levels were labeled by Maslow as deficiency needs, meaning that if there is a deficiency in one of the levels, a person will act to remove the deficiency. In other words, man is driven by unfulfilled needs and will act or be motivated to fill or resolve the deficiency. The top of the pyramid, self-actualization, is described as a need for reaching one's full potential (Huitt, 2007, para 1).

Herzberg (2003) called his motivation-hygiene study "one of the most replicated studies in the field of job attitudes" (p. 91). He hypothesized that what satisfies (motivators) a worker and what dissatisfies (hygiene factors) a worker are not congruent but are rather two separate and distinct factors.

> Since separate factors need to be considered, depending on whether job satisfaction or job dissatisfaction is being examined, it follows that these two feelings are not opposites of each other. The opposite of job satisfaction is not job dissatisfaction but, rather, *no* job satisfaction; and similarly, the opposite of job dissatisfaction is not job satisfaction, but *no* job dissatisfaction. (p. 91)

Herzberg explained that the aspects of a job that satisfy or motivate a worker are achievement, recognition, advancement, and so forth. The hygiene factors, or aspects that tend to lead a worker to dissatisfaction, include supervision, work conditions, and salary. Both Herzberg's and Maslow's theories hold implications for management as they illustrate concepts related to worker motivation.

In the 1930s consideration was directed to the members of organizations and their competencies. For the first time, workers came to be seen as more than simply machines, as exemplified by the Hawthorne experiments conducted under the guidance of Elton Mayo ("George Elton Mayo," 2002). AT&T's Hawthorne manufacturing plant near Chicago engaged in a series of field experiments by providing varying levels of lighting for different groups of workers in an effort to determine the impact of the lighting on production levels. Surprisingly, no matter the lighting level, all worker groups demonstrated increased levels of production. As Morrill recounted (2008), "Researchers later generalized this dynamic as the 'Hawthorne Effect'—responses of experimental subjects to being studied (and feeling important) rather than the intended stimuli" (p. 20). As a result of the Hawthorne experiments and related research, business leaders began to realize that human emotions in the workplace cannot be ignored; attention began to be focused on what motivates employees. "These insights laid the foundations for the human relations (HR) school, which elevated the place of workplace norms and sentiments to unprecedented importance in organization theory" (p. 20). Subsequently, new aspects of organizational management appeared, such as the creation of group decision making, human resources departments, and the management field of organizational behavior.

The third and dominant perspective, the systems approach, differs from the traditional and human relations perspectives in that it includes additional factors such as the external environment, market conditions, competition, and technology. Birnbaum (1988) explained the concept of "open" and "closed" systems (p. 34). Closed systems have rigid, inflexible boundaries that restrict and control input from outside the organization. This type of system is characterized as linear, predictable, and more or less conventional. An open system is dynamic, with unpredictable boundaries; there is significant interaction between the system and its external environment. An open system is more complex than a closed system and its parts may be subsystems within the parent structure. Birnbaum explained that the relationship between systems and subsystems in open and closed structures is either loosely coupled or tightly coupled. A tightly coupled system is represented by a rather direct cause-effect connection. When one part of the structure acts, another part will be impacted because the link between the two is close. In a loosely coupled arrangement, when one area acts or reacts, it may affect another part but the impact may be minimal because each part is independent and can succeed on its own, if necessary (pp. 35-38). Birnbaum noted, "*Tight* and *loose* coupling are relative terms. Conceptually, they can be differentiated on two criteria: the extent to which subsystems have common variables between them and the extent to which the shared variables are important to the subsystems" (p. 39). A common denominator of tightly coupled and loosely coupled systems is the interaction with the external environment. Birnbaum noted that institutions generally must deal with external forces on an increasing basis (p. 43). Thus, organizations must be able to respond to public needs and requirements if they are to flourish.

Quality and Management Theory

This chapter reviews literature related to the history and evolution of the quality movement as it led to the creation and development of the MBNQA and Baldrige Criteria, and later to the TAPE. A great deal of research has been conducted on the emergence of the quality movement.

> A number of terms have been given to this belief system, including Total Quality Management, Continuous Quality Improvement, Total Quality Control, Company-Wide Control, Quality Advancement, Statistical Process Control, Quality Management, and World-Class Manufacturing. The name is not important; what matters is what the terms describe because, as Deming points out (in Frazier, 1997), "The term Total Quality Management is counter-productive; my work is about a transformation in management and about the profound knowledge needed for the transformation." (LeRoy, 2004, p. 2)

To understand the significance of the Baldrige Criteria, it is helpful to establish a conceptual framework through connections and linkages in management literature from the early 1920s and to identify the people who shaped the ideas of continuous improvement and performance excellence. The historical background of quality management shows how businesses use scientific framework and knowledge gleaned from the application of scientific methods to guide managers and executives to "think before they act." According to Jensen and Wruck (1994), the notion of "specific knowledge" is also a relevant and essential ingredient for making decisions that lead to improved performance. *Specific knowledge* is described as knowledge that is held by workers and could be transferred to others, such as the idiosyncrasies of customers, machines, or processes. Other types of specific knowledge at a higher level of an organization include knowledge of corporate strategies and divisional interdependencies (pp. 257-258).

Frederick Taylor is recognized as one of the fathers of scientific management. Taylor, an industrial engineer, considered management to be a science that could be studied and applied in the workplace. In 1911 Taylor published *The Principles of Scientific Management*, wherein his philosophy of scientific management advocated the use of definitive rules and guidelines in the work setting, scientifically selecting individuals to those jobs that they could accomplish successfully and satisfactorily, dividing labor and responsibilities between management and workers, providing job training for workers, and providing incentive payments for those jobs performed well (p. 10). According to Kermally (2005), Taylor is acknowledged for creating the following principles related to scientific methods in management:

> Management should develop job tasks in a scientific manner and amass job knowledge of workers as a factor that contributes to their effectiveness.

> Provide the training necessary for workers to produce the most productive job possible given their innate skills.
>
> Create synergy between workers and management.
>
> Divide responsibilities between labor and management in a reasonable and just manner. (p. 11)

Taylor's philosophy of scientific management was described by Morrill (2008) as "the purest and most famous expression of early applied organization theory" (p. 17). Taylor's most notable contributions are the time and motion studies that he applied to separate jobs into steps that could be performed again and again without variation. It was Taylor's contention that management could improve efficiency by making jobs more simplistic and segmented. Walton (1986) rationalized Taylor's view, stating, "Scientific management evolved during an era of mass immigration when the workplace was being flooded with unskilled, uneducated workers and it was an efficient way to employ them in large numbers" (p. 9). Morrill (2008) noted that Taylor's focus was on worker processes from a position of neutrality; he concentrated on sharpening objectivity in the workplace and holding back the influence of labor negotiations to advance the notion that workers should be compensated according to production quantity (p. 17). Taylor's effort, which preceded the traditional approach to management, was an onerous and inflexible management method that valued quantity above quality.

The quality movement as it relates to management theory in the United States essentially began in the 1920s with the advent of statistical quality control in manufacturing. The significance of quality was presented to Japan by Americans Deming, Juran, and Feigenbaum in the 1950s; however, the Japanese developed the concept with a great deal of success. After World War II, American manufacturers became aware of Japan's success in business and industry, leading to a wake-up call that emanated from a 1980 NBC-TV News special report entitled, "If Japan Can . . . Why

Can't we?" (American Society for Quality, 2010, para. 2). The following is an overview of the most notable quality authorities and their contributions to management theory.

In the early 1920s efforts by manufacturers to produce a product without defects forged the way to business improvement efforts. One of the first improvement pioneers was Walter A. Shewart, known for developing the control chart to implement *statistical quality control*. Deming (1982) explained Shewart's rationale regarding statistical quality control:

> A stable process, one with no indication of special cause variation, is said to be, following Shewart, in *statistical control*, or stable. . . . Its behavior in the near future is predictable. . . . A system that is in statistical control has a definable identity and a definable capability." (p. 321)

Shewart's work with control charts was important because he envisioned a new way to look at consistency and inconsistency, or as he termed it, *variation*. Walton (1986) expanded on the theory of variation as subject to common causes and special causes; common causes are consistent and recurring, while special causes are erratic and unpredictable (p. 115). Shewart recognized that managers can make two mistakes due to variation:

> Mistake 1. To react to an outcome as if it came from a special cause, when actually it came from common causes of variation.
>
> Mistake 2. To react to an outcome as if it came from common causes of variation when actually it came from a special cause. (Deming 1994, p. 99)

After World War II, the issue of quality control began to move from mainly a manufacturing base into the realm of business management. The work of two men provided the foundation of what is today called *quality management*. W. Edwards Deming (1986) initiated the first recognized systematic business improvement approach, based on societal structure rather than economic purposes. Deming often recognized Dr. Joseph Juran for expanding the concept of continuous improvement by including planning and controlling for quality (p. 321). Deming contended that management is principally responsible for the quality within an organization. He developed 14 points that spelled out his philosophy (pp. 23-24):

1. Constancy of purpose
2. Adopt the new philosophy
3. Design quality into processes
4. Minimize total cost
5. Constantly improve
6. Institute on the job training
7. Improve leadership
8. Eliminate fear in the workplace
9. Eliminate workplace “silos”; workers in all areas need to collaborate
10. Look for defect in the system, not the workers

11a. Do away with quotas
11b. Abolish management by numbers and instill leadership instead
12a. Instill pride of workmanship
12b. Do away with merit by the numbers objective

13. Develop workers personally and professionally
14. Include everyone in striving for excellence

Walton (1986) elaborated on Deming’s concept of consistency, or *constancy of purpose*: a perspective that provides a business or organization with a long-range view and a focus on the future with concentration in four areas: (a) innovation, (b) research and education, (c) continuous improvement, and (d) maintenance of resources (p. 56). Walton explained that Deming promoted the Shewhart Cycle, otherwise known as the Plan, Do, Check, Act (PDCA) cycle, as a systematic approach to solving problems. “In addition to the use of the Shewhart Cycle, Dr. Deming says to accomplish the transformation it is vital that everyone begin to think of his or her work as having satisfaction for a customer" (p. 87). The PDCA cycle is a method by which management can *plan* what is needed to accomplish a goal or objective, *do* what is needed, *check* to see whether the current action is working, and *act* to resolve problems encountered by improving performance. The process is continual; after one cycle concludes, another begins, based on learning that occurred in each previous cycle.

Edmund (2008) called Joseph Juran the "architect of quality." On the subject of quality, Juran's focus on human interactions and his position, explained Edmund, was that, "Essentially, all problems had one root cause: resistance to change or, as Juran called it, cultural resistance" (p. 22). One of Juran's primary contributions was the *quality trilogy*, or the correlation of planning, economics (control), and quality improvement. The focal point of Juran's model was to achieve control or stability of a process through the use of a variety of quality tools and techniques to promote "breakthrough" improvement. Juran (1997) contended that growth and improvement should be perpetuated as each new enhancement is stabilized and controlled. According to Seymour (1992), Juran reasoned that "the costs of achieving a specific level of quality could be divided into avoidable and unavoidable costs" (p. 10). Avoidable costs are those expenses related to defects, and unavoidable costs are those expenses related to control initiatives for preventing the defects that should not have occurred in the first place. Juran is also known for his idea that each person along the process line is a supplier and a customer; thus, he conceived the notion of internal and external customers (Department of Trade and Industry, 2006, p. 3).

Armand V. Feigenbaum is recognized as the originator of *total quality control.* According to Watson (2005), he is recognized "as one of the most significant thought leaders in this second generation of the science of management" (p. 52). Feigenbaum (1956) used the following equation to define his theory of total quality control (p. 93):

Control (Design + Material + Product + Process)
÷ Costs (Inspection + Rejects) x Customer Satisfaction =
TOTAL QUALITY CONTROL

Feigenbaum maintained that all areas of the organization are responsible for quality and that quality must occur at every point in the product life cycle (Beckford, 2002, p. 85). Feigenbaum proposed that, to keep costs as low as possible, it is important to "make them [product parts] right the first time" (as cited in Beckford, 2002, p. 94). In addition, Feigenbaum maintained that, for customers to remain satisfied, they must be involved in the process. Watson (2005) informed Feigenbaum's systematic ideology with the following tenets:

> Quality is an organization-wide process.
> Quality is what the customer says it is.
> Quality and cost are a sum, not a difference.
> Quality requires both individual and teamwork zealotry.
> Quality is a way of managing.
> Quality and innovation are mutually dependent.
> Quality is an ethic.
> Quality requires continuous improvement.
> Quality is the most cost effective, least capital intensive route to productivity.
> Quality is implemented as a total system connected to both customers and suppliers. (p. 52)

The 1970s was a decade of increased computer usage and more involvement in quality control than ever before. Dr. Kaoru Ishikawa expanded the quality movement with his notion of company-wide quality control, emphasis on the human side of quality, and the Ishikawa diagram (fishbone or cause-and-effect diagram). He developed the "seven basic tools of quality" that are part of the quality tool kit used by many organizations today: (a) the Pareto Chart (identifies the big problems), (b) Cause and Effect Diagrams (pinpoint problem causes), (c) Stratification (illustrates the manner or degree of the collected data), (d) Check Sheets (frequency), (e) Histograms (show variation in the data), (f) Scatter Charts (display relationships among data), and (g) Process Control Charts (when and how to change process control variations; Department of Trade and Industry, 2006, p. 3). Beckford (2002) described Ishikawa's holistic quality philosophy, which emphasizes direct communication, active participation, and cooperation by all levels of employees (p. 95).

Dr. Genichi Taguchi is sometimes referred to as the father of quality engineering. According to Taguchi, the key to quality is to design it or plan it into the product or service, rather than dealing with it during the building or delivery process. As an engineer, Taguchi's placed original emphasis on production process, but he later shifted his focus to process design. Beckford (2002) summarized Taguchi's contributions to quality as substantial but noted that Taguchi's approach is not a systematic approach to quality; rather, it is a quantitative view that may be an artifact of his engineering background (p. 135). "No account is taken of human variability in the measurement of processes. Perhaps he regards this unsympathetically, as noise!" (p. 141).

In the 1980s Philip B. Crosby, a Fortune 500 consultant, wrote *Quality is Free*, which shifted the quality movement from quality control to quality management. Watson (2005) described three of Crosby's most important conclusions: (a) Avoid the costs associated with poor quality by conforming to quality standards, (b) the standard of performance should be zero defects, and (c) quality is not a means to an end, but a progression of wisdom, knowledge and development (pp. 63-64). Crosby (2005) identified 14 principles of quality improvement:

1. Management commitment
2. Quality improvement team
3. Quality measurement
4. Cost of quality evaluation
5. Quality awareness
6. Corrective action
7. Train all employees in quality improvement
8. Supervisor training
9. Zero defects day
10. Goal setting
11. Error cause removal
12. Recognition
13. Quality councils
14. Do it over again (pp. 62-64)

Reed, Lemak, and Mero (2000) maintained that, while "quality gurus" have their unique perspectives and theories, all agree that sustainable improvement and high quality require four important elements: leadership commitment, team involvement, employee education and training, and an organizational culture suited for change (p. 7).

Baldrige Model

In the early 1980s the expanding and increasingly competitive global market became the impetus for many U.S. business and government leaders to establish quality initiatives in their organizations. The Baldrige Model has become a prevailing paradigm by which numerous state, local, and international quality awards are fashioned. It is often noted in the literature that the Baldrige Model systematically accounts for the elements necessary for a business to compete against world-class organizations.

The Baldrige Model is a systematic management framework that, when implemented with process improvement tools, drives success and provides the organization with an advantage over competitors. The characteristics of the Baldrige Model are (a) a focus on results to balance the needs of all major stakeholders with organizational objectives and goals, (b) business management criteria that are flexible and easily adapted to all types of organizations, (c) a systems perspective and focus on organization-wide alignment, and (d) use of diagnostic assessment to improve performance excellence (2011-2012 Criteria for Performance Excellence, p.55).

M. G. Brown (2005) reported that in 1995 a major change occurred in the language of the Baldrige Criteria that prompted a change of focus to balancing all aspects of an organization, thus strengthening the rationale of the model. Authors revised the wording in the Baldrige Criteria, eliminating the word *quality* and replacing it with *performance* (p. x). Stankard (2002) characterized the Baldrige Model as an integrated performance management model and called the Baldrige Criteria the "genome" of a highly competitive business (p. 20). The Baldrige Criteria have three purposes designed to improve and assess performance in organizations:

> First, the objective of the Criteria is to assist the organization in improving performance practices, capabilities, and results. Secondly, the Criteria attempts to facilitate communication and sharing of best practices information among all United States corporations. This sharing, normally referred to as benchmarking, intends to contribute the best from all types of organizations thereby enhancing and improving productivity of all organizations. Lastly, the Criteria serve as a working tool for understanding and managing performance, guiding planning, and create opportunities for organizational learning. (Brown, 2004, as cited in McGuire, 2006, p. 3)

Stankard (2002) described the benefits of the Baldrige Criteria as threefold: (a) The award establishes a framework and rationale for high performance management systems; (b) it provides a systematic approach to communicating, understanding, and analyzing management methods and their results; and (c) "it elevates whole companies (or at least their management systems) to the status of teachers" (p. 21).

The concept of learning organizations became popular in the 1990s, as businesses asked the following questions: (a) What do we know and what more do we need to know? (b) How do we capture, share and leverage what we know? (c) How do we increase and improve what we know? and (d) What do our competitors know?

> The Baldrige suggests that the extent to which an organization can answer these questions determines the "maturity" of the enterprise as it capitalizes on the collective knowledge and experience of all internal and external stakeholders to solve problems, create value and gain competitive advantage. (Marton, 1999, p. 44).

D. Brown (1996) cited Senge's *The Fifth Discipline* (1993 edition) to emphasize the complement between learning organizations and the Baldrige Model: "It is the heart of the 'learning organization', because the impulse to generative learning is the desire to create something new, something that has value and meaning to people" (p. 95).

In October 2004 legislation was signed to include the nonprofit sector in the Baldrige award program. In 2006 the NIST conducted a pilot application program designed to train examiners in the nonprofit arena to assess a set of criteria that was modified to be more relevant to the nonprofit sector and to test the readiness of nonprofits to apply for the award. Although nonprofits were not eligible for the award in 2006, the organizations that applied participated in the evaluation process and received feedback reports based on the Baldrige Criteria. Beginning in 2007 applications for nonprofits (local, state, and federal government agencies; trade associations; charitable organizations; social service agencies; credit unions; and professional societies) became eligible to apply for the prestigious award (NIST, 2005). "Managers of nonprofits, and many for-profit organizations, recognize that focusing merely on financial measures will not promise success; it is essential to measure other aspects of the organization's performance" (Kaplan, 2001, pp. 353-354).

Stankard (2002) summarized the ideas of Don Evans, CEO of Operations Management International and a MBNQA winner, that explain why business leaders should implement the Baldrige Criteria: (a) The Baldrige performance excellence model shows how to grow business, and (b) the model helps the organization toward sustained growth and improvement in the face of constant change and challenges (p. xi).

The Baldrige Model (Figure 1) is designed at the onset to encourage leaders to assess their organizations. This is initially accomplished by the organization's response to the model's encompassing Organizational Profile. The Organizational Profile is a survey mechanism whereby the organization identifies potential gaps in key information, performance requirements, and results. The summary focuses the organization on its environment, characterizes the organization's culture and internal and external associations, and prompts consideration of key challenges, barriers to success, and what the organization does well (2011-2012 Criteria for Performance Excellence, p. 11).

The Baldrige Model consists of six business framework categories: (a) Leadership; (b) Strategic Planning; (c) Customer Focus; (d) Measurement, Analysis, and Knowledge Management; (e) Workforce Focus, and (f) Process Management. These categories define the system of processes and procedures. The seventh category, Results, catalogs outcomes derived from the other six categories. Responses to the questions involving the management criteria that address process refer to the methods used by the organization to respond to items addressed in Categories 1 through 6 (a through f above) and include four factors: (a) approach, (b) deployment, (c) learning, and (d) integration. Results focus on the outputs and outcomes described in responses to Category 7 and include four factors: (a) levels, (b) trends, (c) comparisons, and

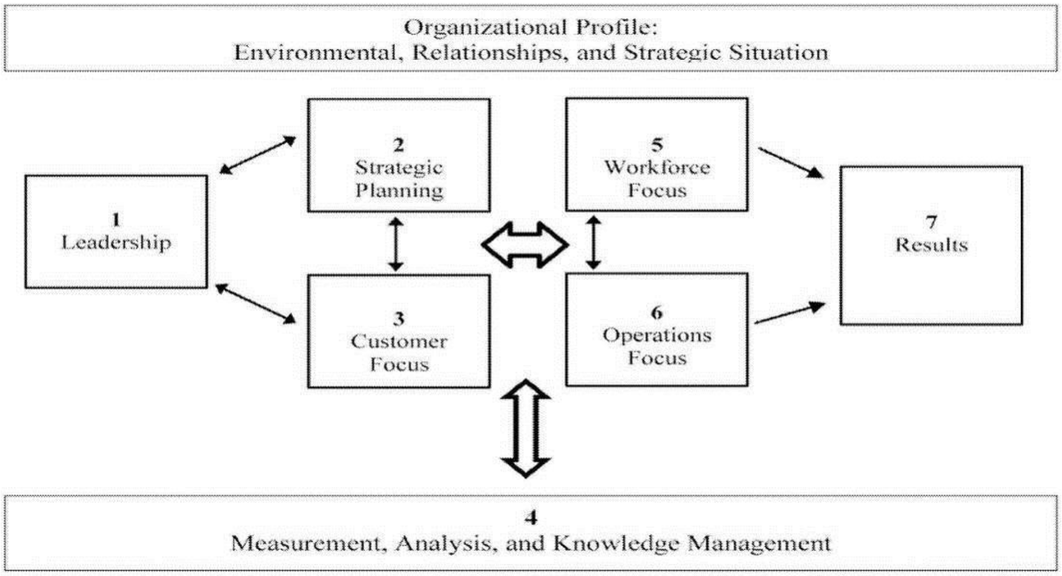
Organizational Profile:
Environmental, Relationships, and Strategic Situation
1
Leadership
2
Strategic
Planning
3
Customer
Focus
5
Workforce
Focus
6
Operations
Focus
7
Results
4
Measurement, Analysis, and Knowledge Management

Figure 1. The Baldrige Criteria for Performance Excellence Framework (*2011-2012 Criteria for Performance Excellence* (2011).

(d) integration (2011-2012 Criteria for Performance Excellence, p. 47). A mature organization exhibits integrated processes and results. The 2010-2011 Criteria book defines integration as follows:

> The term “integration” refers to the harmonization of plans, processes, information, resource decisions, actions, results, and analyses to support key organization-wide goals. Effective integration goes beyond alignment and is achieved when the individual components of a performance management system operate as a fully interconnected unit. (p. 58)

On October 5, 2010, NIST held a press conference to announce that the Baldrige National Quality Program had changed its name to the Baldrige Performance Excellence Program. According to the release, the name change was made to reflect the organization’s focus on performance excellence and intentional organization-wide quality efforts (NIST, 2010a).

Baldrige and Higher Education

This section summarizes studies on the Baldrige Model as it pertains to the field of higher education. Ruben (1995) stated, “The public spotlight is shining more brightly on higher education these days than it has in many years” (p. 1). He offered the following reasons higher education was garnering critical attention:

> Dismay over rising tuition costs
>
> Frustration about the tight job market
>
> Calls for increased faculty productivity and accountability
>
> Accusations of inefficiency, duplication, and waste
>
> Industry critique regarding the poor preparation of graduates
>
> Charges of an imbalance between teaching and research
>
> Uneasiness about “political correctness,” campus safety, academic integrity, and “hate speech”
>
> Questions regarding the use of graduate teaching assistants
>
> Criticism of a lack of service and assistance with problems facing local communities, the state, the nation, and the world community. (pp. 1-2)

Seymour (1992) described emerging concerns regarding a lack of cohesion in the academy and cited an op-ed piece from the *Los Angeles Times* written by Dr. David Glidden. Glidden, a professor of philosophy at the University of California Riverside, wrote the article on September 6, 1990, and titled it “A Loss of Community, and Education Graduates.”

> Students today see themselves as collecting credits for a degree. Faculty see themselves as primarily researchers. Administrators see themselves as regulators. It’s a triumvirate of forces driving off in different directions. What is conspicuously lacking . . . is the sense of belonging to a common enterprise. (Glidden, 1990, as cited in Seymour, 1992, p. 31)

Clearly, Seymour agreed with Mintzberg’s suggestion that professional bureaucracies, including higher education, would be the focus of accountability and external quality controls because academia often fails to respond proactively to issues that are important to the public and the government (pp. 5-6, 31).

Cleary (2001) noted concern regarding the considerable tension between the state and higher education regarding educational quality (p. 41). He cited the issue as being the unique perspectives and expectations of multiple stakeholder groups (students, alumni, faculty, administrators, parents, oversight boards, employers, state legislatures, local governing bodies, accrediting associations, transfer institutions, and the general public), which made it difficult for academic institutions to find a common set of performance indicators (p. 42).

> Every college and university can produce an array of press releases describing new programs and activities that are different from the academic norm and break new ground (at least for that institution) and that talented people have designed for good purposes. However, for the most part, these new activities and other changes are random, not systematic. . . . It is clear that most institutions lack a systematic framework that allows them to effectively manage change, encourage innovation, and obtain increasingly positive results from their efforts. (Furst-Bowe & Bauer, 2007, p. 6)

Like industry, higher education uses resources, engages in transforming processes, and produces outcomes. The outcomes are related to the three overarching functions of higher education: education, research, and service. The mission of these three functions is to effect learning. Bowen (1977) explained that higher education "productive processes" transform resources (e.g., labor, land, campus buildings, equipment) into goods and services (instruction, research, and public service) or, in the case of higher education, learning. Learning induces change in people as it expands their level of knowledge and transformation of the person. A university accomplishes this by creating an environment conducive to effecting change. Thus, it is the responsibility of higher education administrators to create a culture of change, not just to make decisions and react to change when it occurs. "We need quality in higher education in the entire range of institutions to meet the diverse needs for continuous academic and career preparation in the 21st century" (Howard-Vital, 2006, p. 71). A quality-based management system and philosophy fosters change in the organization; the administrator should apply "profound knowledge" to educational decision making. "Campus administrators have not done an adequate job of working *with* faculty and staff to develop and share appropriate measures that yield *information* about important quality-causing processes" (Seymour, 1992, p. 160).

Financial trends in higher education are becoming increasingly alarming. Securing financial resources has become one of the top three concerns in higher education because state funding for public universities is declining; there is an expectation that federal funding for research will fall off; operational costs in areas such as health care, utilities, and construction are rising rapidly; and tuition increases cannot continue to make up for the shortfalls in other revenue streams. "Postsecondary institutions must realize that the key to their long-term survival lies beyond the size and growth potential of endowments. What matters most is the development of lucrative, dynamic curricula" (Ensby & Mahmoodi, 1997, p. 88). Higher education will have to rely less on state funding as costs grow faster than the economy; therefore, colleges and universities will have to increase their reliance on alternative sources of funding. Higher education institutions will need to engage in strategic planning to align the funding priorities of the institutions with different strategies, measurable goals, and a long-range view of the future.

In 1999 the AQIP was initiated to develop quality principles that would guide improvement efforts in higher education. The AQIP provided two ways for colleges and universities to become involved: (a) by instilling continuous improvement into the philosophies of accredited institutions through the accreditation process in conjunction with the Higher Learning Commission, or (b) by allowing nonaccredited institutions to energize their continuous improvement programs, using AQIP-validated categories and processes. The AQIP developed a set of principles to guide academic organizations toward high performance: focus, involvement, leadership, learning, people, collaboration, foresight, information and integrity (Higher Learning Commission, 2010a, 2010b).

The AQIP framework consists of nine categories: (a) helping students, (b) accomplishing other distinctive objectives, (c) understanding students' and other stakeholders' needs, (d) valuing people, (e) leading and communicating, (f) supporting institutional operations, (g) measuring effectiveness, (h) planning continuous improvement, and (i) building collaborative relationships. Within each category is a related group of processes to be explored for improvement opportunities.

> The AQIP Categories focus on nine systems common to all higher education institutions, posing a series of questions about each that ask, collectively, "Are we doing the right things to achieve our mission and goals?" and "Are we doing the things we do as well as we could?" (Higher Learning Commission, 2010, p. 2)

AQIP is results oriented, it focuses on systematic processes, and it endorses continuous improvement for higher education institutions.

The 2011-2012 *Education Criteria for Performance Excellence* booklet for the Baldrige Model describes education criteria as results-oriented, adaptable, grounded in educational concepts, using a systems approach, and encouraging methodical evaluation of process and results (pp. 8-9). There are numerous assessment mechanisms and student learning outcomes; however, the educational criteria were developed as a framework for assessing performance excellence without changing the basic nature of the framework requirements that are essentially integrated in all enterprises. "Fundamentally, *assessment* is a strategy for evaluating the performance of an organization in relation to the expectations of its constituencies, and the organization's mission and vision" (Ruben, 1995, p. 24).

Macpherson (2001) answered the question, why Baldrige? "The performance excellence approach provides both the architecture—the structure—for innovation; and the tools to deliver innovation" (p. 5). The Baldrige Model adds value to a performance excellence endeavor in that it provides the element of *how* to accomplish improvements to achieve a desired state or standard. Through the Baldrige scoring guidelines, management receives feedback on how to improve and how to remove barriers to improvement. This feedback may come from internal assessments or from external reviews.

Baldrige and Nonprofits

Like the for-profit sector, the key issue facing nonprofits, according to Light (2002), is not *what* it offers, but *how* it operates. "No amount of government funding, philanthropic largesse, or program innovation will matter if the sector does not make the investments needed to both achieve and sustain high performance" (p. 12). Light reported that factors such as the September 11, 2001, attacks on the World Trade Center and Pentagon, as well as economic concerns, have contributed to a significant decline in philanthropic giving. To illustrate, he cited the philanthropic indices from the University of Indiana's Center on Philanthropy, which indicated that charitable giving decreased on a 100-point scale from 91.1 in June 2001 to 83.6 in December of the same year. In 2010 Barton and Hall (2010) reported an 11% decrease in giving to the top 400 organizations that receive private donations. Included in the Philanthropy 400 at number 94, TAMU saw a 9.7% decrease in donations.

In the 10 years since 2001, issues have impacted the rate and amount of giving to nonprofit organizations across the spectrum. These include factors such as aging Baby

Boomers, the information age, the reality that most donations are coming from a small percentage of active donors, environmental challenges, increasing competition for philanthropic dollars, and inexperienced and untrained nonprofit employees. In addition, the economic downturn in recent years has resulted in donors falling short of their commitments or failing to make gifts at all. When colleges and universities do not receive additional income from donations, the hardships that the institutions may already be experiencing become exacerbated due to financial cutbacks, reductions in state funding, declining enrollments, employee layoffs, and so forth (Masterson, 2010). Frise (2004) noted that nonprofit organizations are facing problems in the areas of general management, program evaluation, and sustainability (p. 1).

Light (2002) cited a work published in 2000, *Making Nonprofits Work,* four waves of change sweeping the nonprofit sector to combat these issues: (a) scientific management, (b) liberation movement, (c) waste management, and (d) the watchful eye (p. 36). These developments, closely aligned with performance improvements in the for-profit sector, are intended to instill a common set of management criteria to systemize operations, provide measures of success, and decrease abuse and mishandling of resources. Frise (2004) reported that, over the past 50 years, nonprofits have essentially ignored the “state-of-the-art management processes” utilized by for-profit enterprises due to an absence of a profit-making motive (p. 4). However, he cited a 1996 study by Evans and Lindsay who explained that quality management philosophy transcends for-profit organizations in the aspects of customer satisfaction, quality, continuous improvement, measuring outcomes, and eliminating waste (p.17). Speckbacher (2003) stated that nonprofits are becoming increasingly aware that they have more in common with for-profit business management than previously believed.

> As Drucker (1989, p. 89) put it, twenty years ago, management was a dirty word for those involved in nonprofit management. It meant business, and nonprofits

> prided themselves on being free of the taint of commercialism and above such sordid considerations as the bottom line. Now most of them have learned that nonprofits need management even more than business does, precisely because they lack the discipline of the bottom line. (p. 267)

"The interest in quality and specifically the Baldrige Criteria continues to grow as evidenced by marked increases in participation levels in state and local award programs" (Faulkner, 2002, p. 40). In 2006, $7 million was set aside for the NIST to include nonprofits in the Baldrige program; consequently, the award criteria were adapted to be applicable to nonprofit organizations in the same year. Beginning in 2007, organizations such as charities, trade and professional associations, and government entities became eligible to apply for the award, which is described by *Quality Magazine* as "the highest presidential honor for quality and organizational performance excellence" ("Nonprofits Eligible for Baldrige," 2006, pp. 8-9). Today, executives and managers in nonprofit higher education enterprises, such as fundraising or development foundations, are implementing performance improvement methodologies to (a) focus leadership on strategic planning, deployment, and assessment; (b) assist leaders in meeting ethical, legal, and social obligations; (c) increase understanding of customers in order to design customer-driven processes aligned to customer needs and expectations; (d) influence leadership in selecting, analyzing, and managing data, information, and knowledge assets; (e) support and engage staff in performance excellence, (f) institutionalize processes management, and (g) use criteria and results to drive management decisions, improve performance, and benchmark against competitors (Blazey, 2009).

TAMF and TAPE

TAMF, a private, nonprofit corporation, was created in 1953 to solicit, receive, invest, and disburse private gifts for TAMU. The organization also directs university-wide, major gift fund-raising activities and provides asset management services in support of educational excellence at TAMU in College Station, Texas. In 2006 TAMF applied for the TAPE, a state business excellence award program patterned after the Baldrige. Like the Baldrige, the TAPE is distinguished by a set of criteria that establishes a framework for high-performance management systems. According to the 2011-2012 *Criteria for Performance Excellence* (2010), the criteria are designed to

> help provide organizations with an integrated approach to organizational performance management that results in (a) delivery of ever-improving value to customers and stakeholders, contributing to organizational sustainability, (b) improvement of overall organizational effectiveness and capabilities, and (c) organizational and personal learning. (p. 49)

TAPE is an annual recognition of eligible organizations within the state of Texas that excel in performance and the application of quality and customer service principles. The award cycle offers multiple levels of applications based on criteria appropriate for those organizations just beginning the quality journey, making significant achievements, or excelling in world-class management and achievement.

This research study is about TAMF's experience in utilizing the TAPE Criteria as a framework for assessing and improving performance excellence and in applying for the TAPE. The study is also intended to inform on the efficacy of the TAPE to aid TAMF in producing value-added results and organizational and personal learning.

CHAPTER III

METHODOLOGY

The focus of this research study was to examine the utility of the TAPE Criteria as a framework for the TAMF for assessing and improving performance excellence. The study also examined how the TAMF implemented the criteria as part of a management strategy to propel the organization toward a competitive advantage and organizational and personal learning. In addition, the study observed the ways in which the employees of the TAMF endeavored to make sense of the Baldrige-based TAPE Criteria as they went through the 2007 TAPE application cycle.

Methodology

I chose a qualitative research study because it has aspects of diverse theoretical paradigms, approaches, practices, and disciplines. Denzin and Lincoln (2005) described qualitative research as a field that

> sprawls between and cuts across all of the human disciplines, even including, in some cases, the physical sciences. Its practitioners are variously committed to modern, postmodern, and post experimental sensibilities and the approaches to social research that these sensibilities imply. (p. 8)

Denzin and Lincoln also emphasized that, from the broadest perspective, four theoretical paradigms are related to qualitative research: (a) positivist-postpositive, (b) constructive-interpretive, (c) Marxist, and (d) feminist-post structural (p. 22). Each paradigm has associated criteria, assumptions, and specific ways of relaying data and analysis. A constructivist-naturalistic paradigm was deemed to be the most appropriate model of inquiry for this research study. I took a constructivist's approach to demonstrate how the executives, leadership, and staff of the TAMF structured their performance improvement efforts by utilizing the TAPE Criteria as a consensual framework and guide. At culmination, I described how individuals in the organization constructed, or made sense of, the Criteria and the application experience and how they acquired personal and organizational learning. As Guba and Lincoln (1985) explained, “Constructed reality is essentially the notion that for each individual there are multiple constructions of reality, thus there is no one or single true reality” (pp. 84-85).

The study took place in a natural setting, as is consistent with naturalistic inquiry. I functioned as the research instrument; data collection methods included direct observation, interviews, and document analysis. The research design was built upon tacit knowledge and was allowed to emerge and develop through grounded theory. Owens (1982) described the naturalist paradigm or naturalistic inquiry:

> It is the view that the real word that we encounter “out there” is such a dynamic system that all of the “parts” are so interrelated that one part inevitably influences the other parts. To understand the reality of that world requires acceptance of the notion that the parts cannot be separated, bit by bit, for careful examination without distorting the system that one seeks to understand. The parts must be examined as best is possible in the context of the whole. . . . Thus, if one seeks to understand the realities of human organizations and the behavior of people in them, the naturalistic view would hold that those organizations must be examined in all the rich confusion of their daily existence. (p. 6)

Guba and Lincoln (1985) describe 14 characteristics of naturalistic inquiry:

Natural setting: research is carried out in a natural setting or within the context of the research subject’s own environment

Human instrument: the researcher is the research instrument

Utilization of tacit knowledge: the researcher uses innate knowledge in addition to explicit knowledge

Qualitative methods: use of generally human-like activities such as looking, listening, talking, sorting, interpreting, etc.

Purposive settings: sampling is accomplished with a predetermined purpose and is intended to maximize information

Inductive data analysis: sense-making from collected data

Grounded theory: theory that emerges from the data that is collected as opposed to existing theory that exists from something already known

Emergent design: research design is adaptable and becomes more focused as insight emerges from data obtained

> *Negotiated outcomes*: to the extent possible, the researcher has an obligation to gain consensus from participant regarding research outcomes and interpretations; this is necessary to honor trustworthiness criterion
>
> *Case study reporting mode*: the vehicle prescribed for reporting qualitative research studies which adheres to the axioms of qualitative research, includes "thick description", and orients readers to the context of the research subject's environment
>
> *Ideographic interpretation*: interpretations of specific cases or situations
>
> *Tentative application*: findings of qualitative research are not expressed as transferrable in each and every case
>
> *Focus-determined boundaries*: depending on the type of study, one of three factors will guide the focus of a qualitative study: a) in research it is the problem, b) if an entity is being evaluated it is the evaluand, and c) if it is a policy inquiry it is a policy option
>
> *Special Criteria for trustworthiness*: the Criteria include a) credibility b) transferability, c) dependability, and d) confirmability. (pp. 39-43)

The reporting mode selected for the research was a case study. According to Stake (2005), "The case is a system" (p. 444). As in any system, there are patterns and features within the borders that form the system and there are influences outside the borders that impact the system. Stake described three forms of case study: (a) intrinsic case study, which comprehensively examines the particular case or situation; (b) instrumental case study, in which the actual case is subordinate to another focus or issue and the case is used to facilitate understanding of the issue; and (c) multiple case or collective case study, which examines a collection of cases (p. 445). This study is an instrumental case study as my interest was focused on examining the utility of the TAPE Criteria to the TAMF in assessing and improving performance excellence through the eyes of the TAMF respondents. The case interested me because it added to my knowledge and experience in quality, performance excellence methodologies, the Baldrige Criteria, and TAPE.

Population

The subject of the case study was the TAMF, a nonprofit fund-raising organization established to benefit scholarship and education for TAMU in College Station, Texas. The population that was studied included the executives, officers, and staff of the TAMF, as well as the organization's Quality Council (QC), a group of executives and senior managers who serve as the steering committee for the TAMF's Continuous Quality Improvement (CQI) initiatives.

The TAMF has 81 full-time employees, ranging in age from 25 to 71 years and including 34 males and 47 females. Ethnically, the organization was comprised of 79 White staff members and two African Americans. Sixty-seven employees held college degrees, of which 56 were from TAMU. In addition, some employees held graduate degrees, including doctorates, and a range of special professional certifications, such as Certified Public Accountant (CPA), Certified Financial Planner (CFP), Juris Doctor (JD/Texas Bar License, and GRI (Graduate, REALTOR® Institute).

Organizationally, the study included five executive officers: President/CEO, Senior Vice President for Development, Senior Vice President for Administration and Operations, Vice President and General Counsel, and Vice President and Controller. In addition, there were 32 Directors of Development (development officers), 24 support staff, four researchers, six Information Technology staff, and approximately eight part-time student workers.

Instrumentation

In describing the function of the researcher in observational research, Dwyer and Buckle (2009) noted a well-known concept established by Adler and Adler in 1987 that identifies three "membership roles":

> *(a) peripheral member researchers*, who do not participate in the core activities of group members; (b) *active member researchers*, who become involved with

> the central activities of the group without fully committing themselves to the members' values and goals; and (c) *complete member researchers*, who are already members of the group or who become fully affiliated during the course of the research. (p. 55)

To facilitate the study, as the researcher I assumed the role of active member, or participant observer, which allowed me to take part in activities without being fully invested in the organization. This perspective not only allowed me to examine the organization in the course of its journey through the TAPE application experience and beyond; it also permitted inquiry and examination of related present phenomena. The study included several phases: (a) strategy development for undertaking the TAPE application process; (b) member training and education; (c) team development and assignments; (d) writing the application; (e) refining the application; (f) submitting the application; and (g) follow-up. I attended QC and other organizational and team meetings, including preliminary orientation, training sessions, team conferences, group discussions, and dialogue with team members.

An essential component of the research framework required that I have extensive knowledge of the QTF, the TAPE Criteria, the TAPE application structure and associated procedures, and the roles of the various participants involved in the award process. To acquire this expertise prior to the study, in 2004 I applied to the QTF to become a TAPE examiner. Over the course of 2 years I amassed more than 300 hours of TAPE training; became adept with the TAPE language; associated with other TAPE examiners, judges and directors; participated in individual and consensus assessments for three for-profit TAPE applicants; participated in two site visits; and contributed as a feedback writer and backup team leader. Becoming proficient with the TAPE was important to the research project as it afforded me a significant level of credibility and provided a foundation from which I developed an applicable and appropriate research and interview inquiry. It also enabled me to contrast the level of maturity of the TAMF organization using the TAPE Criteria as a comparative to the three for-profit TAPE applicants that I had examined previously.

Another important component of the instrumentation in the research framework was my tacit knowledge. Formed through years of educational coursework, business and life experience, and proficiency with the TAPE process and Criteria, my tacit knowledge served as another means by which inquiry, speculation, conceptualization, and learning coalesced in the study.

Procedures

As required in naturalistic inquiry, the study was carried out in a natural setting that was present focused and centered within the environment of the entity being studied: the TAMF. The time-context relationship is essential, according to Guba and Lincoln (1985) because "no phenomenon can be understood out of relationship to the time and context that spawned, harbored, and supported it" (p. 189).

It was important to impart as much rigor into the framework of the study as possible and to carry it out in a systematic manner, recognizing that I was the research instrument and lone worker in the study. Researchers come into a study with what Cepeda and Martin (2005) called a "conceptual framework" (p. 851). This refers to the knowledge, experience, theories, and beliefs embraced over time to form the basis of existing perceptions of the research subject. By defining the conceptual framework at the onset of the study and modifying it throughout, at conclusion there should be documented evidence of the researcher's refined understanding.

Reflexivity is a process by which the research makes clear at the outset any personal preconceptions or biases. Therefore, prior to initiating interviews and collecting data, I engaged in reflection and journaling about suppositions and knowledge of the TAMF organization, management frameworks, and TAPE, as well as initial assumptions based on the reviewed literature and previous experiences. This information was initially set aside; however, I referred to it often and used it as a lens by which to gauge disparity and to assist in discovery and insights. I chronicled changes in perceptions and ideas, thus documenting growth, experiences, and expanded learning. Reflection and analysis were important in helping me to maintain an awareness of my role and the part that biases played in the research study. By immersing in the TAMF organization and their TAPE application experience, I established trust with members of the organization. I interviewed the TAMF executives and senior leaders, team leaders, team members, and QC members on an individual and group basis. I anticipated that some participants' perspectives might change over time, so interviews were conducted with executives and team leaders early in the study before the actual team interviews, although the executive and team leaders were a part of the teams interviewed. All interviews were guided by a list of protocol questions; however, I was free to probe related areas that emerged during the interviews. The protocol questions were modified over time to focus on areas of importance or to disregard unproductive areas.

Of primary importance in a naturalistic study is the aspect of *trustworthiness*. Trustworthiness, as described by Guba and Lincoln (1985), consists of four essential components: (a) demonstrating the truthfulness (truth value) of the research findings, (b) providing a basis for applicability of the study and findings to other similar situations or contexts, (c) establishing how the findings can be replicated (consistency), and (d) maintaining objectivity (neutrality) throughout the study (p. 290). Guba and Lincoln identified the following terms to replace the conventional research expressions for internal validity, external validity, reliability, and objectivity. To establish trustworthiness in a naturalistic study, the researcher aims for *credibility* (in place of internal validity) by designing reliable criteria into the study. A key component in naturalistic research is *transferability* (as opposed to external validity), or the ability for another researcher to replicate the study instead of making context-free inferences about the results. *Dependability* (rather than reliability) is a component of naturalistic research as it takes into account the ever-changing essence of nature. *Confirmability* (instead of objectivity) places emphasis on the data rather than on the research instrument. To meet these trustworthiness criteria, I engaged in activities that were recommended by Guba and Lincoln to make credibility more likely, such as prolonged engagement, persistent observation, peer debriefing, triangulation, and member checking (p. 301).

As trustworthiness is the aspect of naturalistic research that is most often questioned, another method for addressing it is *triangulation.* According to Stake (2005), triangulation is a collection of approaches that are used to verify meaning and replication of research (p. 454). Guba and Lincoln (1985) emphasized the importance of triangulation, stating that no single part of information should be used without triangulating (p. 283). The point of triangulation is to corroborate research findings and results as much as possible. The variety of approaches that can be used to triangulate information can include using different sources, methods, investigators, or theories. In this case I used multiple sources (interviews and supporting documents) and different methods (interviews and prolonged observation) to confirming my findings.

Data Analysis

Data collection was emergent and primarily took three forms: (a) direct observation of settings, activities, and people; (b) analysis of documents such as official records, memos and letters, meeting minutes, records, and published data; and (c) interviews. I was also active in varying degrees of participant observation. For example, there were situations when I was strictly an external observer, situations when I was involved in limited interaction/observation (i.e., intervening in meetings when called upon), and occasions (formal interviews) when I was a full participant.

I audiotaped the team interviews and took notes of discussions, field visits, related documents, and artifacts. I transcribed the taped interviews and combined them into a single transcript. I numbered each line of the transcript and then unitized the transcript; that is, I separated information into the smallest units of information that could stand alone, given the context of discussion. I then transferred each unitized piece of data to a numbered 6” x 4” index card. Each card was coded to reference the category team, the date of the interview, the respondents on the team, and the line numbers of the response, matching back to the original transcript.

Through inductive analysis, I created a database by segmenting the data according to themes that emerged from sorting the index cards. As the themes became apparent and developed, I coded them categorically and then analyzed and drew conclusions based on identified patterns that surfaced from the data. The objective of this type of methodology was to construct theory that reflected understanding of the phenomenon.

To honor the value of the participants and to substantiate the credibility of the fieldwork, I utilized peer debriefing. The person who participated in this endeavor is a colleague at TAMU who, as part of the role and scope of her position, teaches others how to interview and conduct focus groups. This individual attended each team interview with me as a nonparticipating observer and sat in on each interview after I obtained consent from the team members. At the conclusion of the interviews I reviewed the meetings with the peer debriefer concerning what went well procedurally or what might be improved for subsequent interviews. Her expertise in this area (a) was important as it enabled me to improve interviewing skills, (b) was useful as it provided a sounding board to discuss emerging elements and themes, and (c) helped me to hone the interview questions as I gathered data from each team. Finally, a draft of the case was submitted to a TAMF review team and executives for member checking and to negotiate outcomes.

I presented the data and conclusions in the form of a narrative, employing thick description to provide context and to make sense of the research data. In constructing the study, I made certain choices regarding the research topic, method, scope, and population of the study. Knowledge acquired from classes in Higher Education Administration, Designing and Managing Quality Educational Systems, Services Marketing and Management, training and experience as a TAPE examiner, and 17 years of practical experience as an administrator in auxiliary departments at TAMU contributed to my keen interest in service quality, quality management in higher education, and the Baldrige-based framework.

The research questions were based on the seven TAPE Criteria categories and the framework's approach, deployment, learning, and integration orientation to organizational processes, as well as a focus on empirical results and articulated organizational and personal learning. Presenting the TAMF case study provided a glimpse into a unique example of nonprofit strategic management implementation and its impact on the organization and its members. This information should be enlightening to other nonprofits and new knowledge in this area can be transferred to other nonprofit organizations seeking improved organizational performance.

CHAPTER IV

ANALYSIS OF THE CASE

The research on quality management frameworks that are used to guide performance excellence in nonprofits is limited. There is also a gap vis-à-vis the utility of the Baldrige Criteria as a framework for performance excellence in nonprofit organizations. The purpose of this research study was to determine the utility of the Baldrige-based TAPE Criteria as a framework for assessing and improving performance excellence in the nonprofit TAMF. The study also undertook the task of describing how TAMF members utilized the TAPE Criteria and how they used the experience of applying for the TAPE to propel the organization toward improved performance and organizational learning. The objective in undertaking the study was to add to the existing body of knowledge, particularly because in 2007 nonprofits became eligible for the MBNQA.

Before describing data collection and analysis procedures, I present a context for the research setting and provide a "visual" of the research environment to aid in comprehension of the case's complexities and because these factors relate to transferability. I applied the use of *thick description*, which according to Guba and Lincoln (1985), includes detailed depiction of an identified inquiry taking place within a specified natural environment, as well as the interactions and processes pertinent to the inquiry in said environment (p. 362).

Context

Texas A&M University

TAMU, the flagship institution of the Texas A&M University System (TAMUS), is located in College Station, Texas. College Station. with a population of around

85,000, and its sister city, Bryan, form the nucleus of a geographic area that includes some of the state's largest cities—Dallas/Ft. Worth, Austin, San Antonio, and Houston—and is a popular area for people who like the pace of smaller community living with easy access to large metropolitan amenities. The area is known as the Research Valley, as it is located in the Brazos River Valley; it encompasses the state's largest Research I Universities: TAMU and the University of Texas in Austin.

TAMU was formally established in 1876. It was the first institution of higher education in the state of Texas and is one of only a few academic institutions in the country that holds federal designation as a land-grant, sea-grant, and space-grant university. The school was created by the Morrill Act, which set aside public land to be donated to the states as a means of funding higher education, with a focus on agriculture and mechanical teaching, as well as instruction in military maneuvers. In 1871 the Agricultural and Mechanical College (AMC) of Texas was situated on 2,416 acres near Bryan, Texas, in Brazos County. Today, the institution encompasses a physical plant of more than 5,000 acres. Instruction began in 1876 to a student population limited to males, who were required to take part in military training, thus forming the institution's Corps of Cadets. The University of Texas was founded in 1883, sparking a rivalry between the state's two flagship universities that continues today. Both schools were incorporated into what was named the University of Texas System, although AMC maintained a separate governing board and never conceded to being part of the University of Texas System. In the late 1880s there was a movement to close AMC because some felt that there was no need for two colleges in the state. Thanks to the efforts of its celebrated president, Lawrence Sullivan Ross, the institution carried on. A former Governor of Texas, Ross remained president of the college until his death in 1898. His tenure as president was highly regarded as many of the school's enduring traditions were established during his administration, such as the senior Aggie Ring and Silver Taps, a ceremony that takes place each month during the fall and spring semesters to remember and honor current students, or "Aggies," who passed away during the previous month.

In the early to mid-1960s the Texas State Legislature formally changed the university's name from Agricultural and Mechanical College of Texas to TAMU, and two other major changes rocked the institution when participation in the Corps of Cadets became optional instead of compulsory and women were allowed to enroll (Dethloff, n.d.). Historian Henry Dethloff (n.d.) substantiated the strength of the military influence at the university by pointing out that Aggies have served and fought in all wars since the Spanish-American War; TAMU has commissioned more military officers than any other institution. Former Commandant of the Corps of Cadets, Major General T. M. "Ted" Hopgood (2007), wrote an editorial for *The Bryan Eagle* on the occasion of the university's 125th anniversary:

> We're justly proud of our cadets' military accomplishments. Aggies have fought in all of America's conflicts since the Spanish-American War. Seven former cadets have received the Medal of Honor and 225 have become generals or admirals. . . . I believe the Corps of Cadets offers an outstanding opportunity for any young man or woman who wants more from college than just a degree. When they join our Corps, they're signing up for a 4-year leadership laboratory that will equip them to succeed on the battlefield or in the boardroom. Cadets first learn "followership," time management, and self-discipline through a rigorous and demanding freshman year. Living in cadet units, they learn to work as a team to achieve stated goals and objectives. Aggie cadets are required to adhere to a strict code of honor and a "no excuses" ethic of personal accountability. (para. 5-9)

Today, the Corps of Cadets remains a major influence on the TAMU culture, with a membership of approximately 2,000 men and women. The military influence is significantly evident in the university's articulated core values of *loyalty, leadership, selfless service, respect, integrity,* and *excellence.* The admission of women, albeit not without trials and tribulations, sent enrollment soaring and signified another major influence on the TAMU environment. In fall 2006, the year in which the data for this report were collected, TAMU boasted a student enrollment of 45,380. In 2011, the university continues its steady growth, with more than 50,000 students and a physical plant of more than 5,200 acres, making TAMU one of the largest public universities in the nation. Contributing to its stature in the academic community, TAMU boasts an endowment in the billions, ranks in the top 10 universities in National Merit Scholar enrollment, and places second in the country for graduates whom recruiters hire, according to a survey of top employers reported by the *Wall Street Journal* (TAMF, 2010).

Texas A&M Foundation

The TAMF is located in the attractive and distinguished Hagler Center, which is situated on the southwest corner of the main TAMU campus in College Station, Texas. The TAMF's building is adjacent to the Bright Athletic Complex and has a bird's eye view of the commanding 90,000-plus-seat Kyle Field football stadium. The Hagler Center and the Clayton Williams Alumni Building, home of The Association of Former Students, another fundraising arm for TAMU, stand as sentries at this entrance to the campus, which has no official "front gate." In 2006 the TAMF was enjoying its 7th year in this location, having consolidated its business units under one roof after having been housed in multiple locations in Bryan/College Station for several years.

The TAMF was established in 1953 by a small group of alumni with a modest initial investment to provide fundraising assistance for TAMU. After more than 50 years of fundraising, the TAMF is managing more than $1 billion in assets. The TAMF website proudly informs, "The lesson: There's nothing Aggie spirit and know-how can't do. It was Aggie spirit that spawned the original Foundation gifts, and Aggie spirit—our donors' and our employees'—that keeps our assets growing" (TAMF, 2010, para. 2).

The mission of the TAMF is explained by the organization's two key value creation processes: fundraising and asset management. The TAMF defines *fundraising* as the interactions and processes involved in matching donors and their contributions with university needs. This includes current funds (endowment and pass-through gifts in the form of cash, securities, real estate, etc.) and planned or deferred gifts (bequests, trusts, annuities, IRAs, life insurance, etc.). *Asset management* is described as encompassing three main areas: (a) investment of endowed funds to generate earnings in support of TAMU goals and to increase principal to offset inflation; (b) management of non-liquid assets, including real estate and other property and non-endowed funds; and (c) operating a wholly owned subsidiary trust company.

Review of Grider Study

The TAMF began its excellence journey in the early 1990s when the current President and CEO, Dr. Eddie Joe Davis, introduced a shift in managerial philosophy from a traditional organizational management model to CQI. While TAMF was recognized at the time as a leading university fundraising organization, the leadership under Davis envisioned an organization that would move toward ever-higher levels of success and improvement (Grider, 1996).

Grider's 1996 dissertation study, *The Implementation of Continuous Quality Improvement in the Texas A&M Development Foundation,* portrayed the organization prior to Davis's arrival as bureaucratic and reflective of the "historic militaristic nature of TAMU."

> The institution was structured with distinct organizational levels, relatively rigid role definitions, and centralized decision making processes. Policies and decisions typically were made at the upper levels of the organization and carried out by those at the lower levels of the organization. (p. 85)

Grider explained that the working relationship between the two major divisions, asset management and fundraising, was dysfunctional due to territorialism and operational silos.

Davis joined the TAMF in September 1993, coming from the position of Deputy Chancellor of the TAMUS. Grider described Davis's leadership style as even tempered, flexible, and easy to talk with, while his management approach was strategic, thoughtful, and inclusive. Grider reported that Davis had been introduced to quality principles while serving in the Army Reserve; while the concepts struck a chord with Davis, he felt that they could not be implemented in just any organization but would require one that was relatively free of turmoil and confusion. Grider wrote that the new president found a suitable environment at the TAMF, explaining that Davis

> "saw an organization with a clear mission, independent enough from politics to set its own direction, a high quality set of people, a relatively small number of people, and . . . nice functional lines so you could pick out the pieces to work on." (Davis, as cited in Grider, 1996, p. 92)

It was with this philosophy and outlook that by which Davis ushered the era of CQI into the TAMF.

To formally introduce the CQI initiative, Davis brought in Dr. Bryan Cole, a professor of Higher Education Administration at TAMU, who is highly regarded in the area of CQI. Grider (1996) explained that Cole's first order of business was to propose the formation of a QC, a representative group of organizational leaders and staff members to advise and shepherd the CQI initiative. Cole also took the organization through a series of exercises to affirm the TAMF mission, vision, role, and scope, and to identify its key processes: those processes that were "essential to pursuing or monitoring a desired outcome" (2011-2012 Criteria for Performance Excellence, p. 59) Grider stated that Cole facilitated creation of process improvement teams, emphasized the importance of shared focus, and trained the organization on continuous improvement methodology and the use of quality tools. Grider explained that the purpose of his research with the TAMF was to study the implementation of CQI, what the individuals involved made of the shift to the CQI paradigm, and the changes that occurred as a result of the move to the new management model. At the conclusion of the 18-month inquiry, Grider reached the following conclusions:

> The initial impact of CQI on organization culture and processes is positive.
>
> The CQI methodology guides teams to key process areas requiring improvement.
>
> One of the most valuable attributes of CQI is its facilitation of shared understanding and collaboration across organizational and institutional lines.
>
> Selection of team members has a significant impact on CQI methodology, both regarding the interaction of team members and the comprehensiveness of process improvements and team products.
>
> Though it encompasses a unique methodology that fosters teamwork, CQI (similar to other teamwork approaches) is not a short-term panacea for deeply entrenched conflicts between organizational members.
>
> The CQI methodology is implemented more easily, but not necessarily more effectively, into linear processes compared to nonlinear (or nonexistent) processes.
>
> Within this study, constructivist inquiry captured the most important nuances of human experience, and paralleled and complemented many tenets of CQI theory. (Grider, 1996, pp. 207-209)

In 2006 the TAMF celebrated the conclusion of their “One Spirit, One Vision” fundraising campaign, having surpassed their goal of $1.5 billion (TAMF, 2007b). At that time the organization also reached its objective of accumulating $1 billion in total assets; for fiscal year 2006 they were pleased to have contributed $42.8 million to TAMU (TAMF, 2006). The organization boasted a Top 10 rating in their fundraising performance in the years leading up to 2006, as indicated in Table 1, which displays comparative giving results for the 10 highest-performing University Foundation Financial Officers (UFFO) institutions in FY 2003, 2004, and 2005, as taken from annual reports submitted to the Council for Aid to Education (CAE). The CAE

Table 1

Highest-Performing University Foundation Financial Officers (UFFO) Comparative Giving Fundraising Institutions

UFFO Top 10 foundations	2003 position	2003 ($)	2004 position	2004 ($)	2005 position	2005 ($)
U of Wisconsin-Madison	1	268,914,546	1	260,976,384	1	595,215,891
Indiana U	2	249,988,250	2	248,458,068	2	301,060,946
U of Minnesota	3	244,851,272	3	245,682,841	3	265,498,507
Purdue U	7	103,444,991	4	166,341,791	4	183,672,193
Texas A&M U	6	142,310,178	7	103,540,061	5	144,482,782
Penn State U	5	181,314,385	5	148,463,526	6	127,196,367
U of Arizona	4	185,314	8	101,050,120	7	121,056,869
U of Oklahoma	11	87,614,265	9	98,252,292	8	115,324,695
U of Kansas	12	86,056,710	10	90,170,260	9	111,413,835
U of Iowa	14	47,364,799	12	85,979,856	10	100,012,966

Source: *Texas A&M Foundation Application for the Texas Aware for Performance Excellence* (Figure 7.3: UFFO Comparative Giving (Relative Market Share), 2007a, by Texas A&M Foundation, College Station, TX: Author.

describes itself as the first organization in the United States to provide regular statistical analyses of private giving to higher education on a national basis (CAE, n.d.).

TAPE Application

The TAMF was still practicing CQI in 2006 and they had reason to be proud of their accomplishments. The leadership remained committed to moving the organization forward and to maintaining ever-improving performance; thus, they set out to apply for the 2007 TAPE. It was through the TAPE application process that I gained entry the TAMF.

By means of negotiation with the president of the TAMF and their CQI and TAPE facilitator, Dr. Bryan Cole, I agreed to write the first draft of their TAPE application. In exchange, I was allowed access to the TAMF organization and environment to interview the TAPE teams, review documents and other artifacts, and observe the members as they engaged in the application process. The arrangement enabled me to build trust with members of the TAMF organization and community. Fortunately, I found the TAMF staff members to be friendly and welcoming, which is not surprising, as many of the staff members had close personal ties to TAMU (56 of the 67 degreed staff members received their degrees from the university), an institution known for its friendliness and hospitality.

In early summer 2005 Dr. Cole and I assisted the TAMF CEO and Senior Vice President, in developing an application strategy and timeline (Appendix A). The process is complicated and time consuming for many people in any organization. The TAMF application process lasted 16 months and engaged more than half of the employees in the organization, as well as three external facilitators. Participants committed to 36 hours to training, scores of hours to team meetings, and hundreds of hours of writing, in addition to handling regular job responsibilities.

In July 2005 the TAMF leadership gave the QC an overview of the TAPE. Shortly thereafter, they formally initiated the TAPE application process with the staff when a senior executive sent the following message to all participants, announcing the inception of the application and setting the tone for the initiative:

> All of you have been chosen as key participants in this important foundation project which will continue over the next two years. Our next meeting will be held on Monday, August 22, 2005 from 8:30 am to 4:30 pm in the Kennedy Room. The purposes of this meeting will be to provide everyone with an over-

> view of the project and to begin work on completing the five page organizational profile which is the cornerstone of this project. I will put a copy of related material in your mail box. Please pick the material up this week and be familiar with it by the time of the meeting. The following have been selected as team leaders and we will explain more about this responsibility at the upcoming meeting. Dr. Bryan Cole and Sherry Wine will join us. . . . Please plan to attend this meeting. It is very important that we get started in the correct manner with full participation. (Email message to TAMF TAPE participants, August 8, 2005)

After the first organizational meeting, the TAMF's head of marketing, with the assistance of the executives and QC, developed an Organizational Profile, which is the first step in completing the application. Internally, the Organizational Profile makes it possible for the institution to identify, articulate, and assess key factors that impact its performance, including the organizational environment, inner and peripheral organizational relationships, the competitive environment, strategic challenges, and the methods that the organization has used to improve performance. Externally, TAPE examiners and judges use the Organizational Profile to get a picture of the organization and to understand its processes, procedures, and culture. The Organizational Profile essentially affords a high-level view of the organization and recognizes important key factors in each of the seven TAPE Criteria categories.

In September, 2 months later, the 34 TAMF staff members who were chosen to participate in the application process attended a teambuilding workshop facilitated by Dr. Cole, with my assistance. The purpose of the workshop was to explain the reasons for establishing the teams as they were configured and to provide an opportunity to develop synergy between/among the people who would be working on the seven category teams. The workshop was held in the Galloway Room on the garden level of the Hagler Center. The spacious well-lit meeting room contained six round tables with a lone rectangular table and large rolling A-frame easel set up at the front of the room. A smaller tripod easel was set adjacent to each table, indicating that there would be exercises and small group activities as part of the session. The participants were seated at tables according to their team assignments. There were six teams, each representing one of the following six TAPE categories: (a) Leadership; (b) Strategic Planning; (c) Customer and Market Focus; (d) Measurement, Analysis, and Knowledge Management; (e) Workforce Focus; and (f) Process Management. The seventh team, for the Results category, was comprised of the six team leaders and the organization's executive staff. Heeding one of the key findings in the Grider study, the organization's leadership configured the teams with staff members chosen for their knowledge, skills, and expertise in the category topics, and they strategically selected team leads. TAMF executives were intentionally placed on Team 1 (Leadership), Team 2 (Strategic Planning), and Team 7 (Results) in conjunction with their roles in the organization and subject area expertise. Each team included a variety of staff positions to gain representative viewpoints and input from multiple areas. For example, Team 1 (Leadership) was made up of the five TAMF senior executives and an administrative assistant. The same individuals participated on Team 2 (Strategic Planning). Team 3 (Customer and Market Focus) included the head of the marketing unit, the director in charge of donor relations, an administrative assistant, and two Development Officers who were assigned to the larger university colleges. Team 4, Measurement, Analysis, and Knowledge Management, was made up of the head of the TAMF Information Systems (IS) unit, the organization's chief data researcher, representatives from the gift processing and asset management areas, and a Development Officer. Team 5 (Workforce Focus) included the institution's legal counsel, the Human Resources director, two Development Officers who had come to the TAMF from different industries, and two additional staff members; and Team 6 (Process Management) was composed of persons directly involved in business processes across the institution.

Team 7 (Results) included the team leaders for the other six teams and the executive staff.

Reflecting on the team makeup and organization, it was apparent that the TAMF leadership had been thoughtful and intentional about forming the teams. The representation appeared to reflect all work areas across the organization and the teams apparently represented most of the staff levels and ranks as they included individuals who were at the supervisor level and above. Front line staff could have been included to make the representation more reflective of the entire TAMF, but when I inquired, I was informed that such an arrangement would have presented a hardship to carry out daily business operations if more people had been included. Another aspect of the teams that stood out was the inclusion of several Development Officers. Development Officers are key professional staff positions in the TAMF who provide one-on-one personal contact with current and potential donors. They spend a large number of hours identifying donors' interests and preferences and linking them with giving opportunities for the various TAMU colleges, divisions, and programs. Development Officers are discussed later in the study.

During the next month Dr. Cole and I engaged in an intensive 2-day work session with the TAPE teams, meeting with the teams individually for in-depth reviews of their categories. Some participants, who had previously participated in the TAMF's TAPE Level 2 self-assessment, did not appear to be anxious about the Level 3 application process; however, as we delved further into the application booklet, a significant number of the participants began to express confusion and frustration over the TAPE application language. At one point during the workshop I made the following notation: "They are very frustrated with the 'how' questions" (S. Wine notes, TAPE Workshop, October 19, 2006). This referred to Criteria requirements that ask the applicant to describe business methods and measures, the extent to which they are employed across the organization, new knowledge or skills attained, and the level of alignment and synchronization between plans and decisions with the organizational goals (2011-2012 Criteria for Performance Excellence, p. 59).

After the workshops in October, the teams met as often as their work calendars allowed over the next 11 months to complete the category portions of the TAPE application. During this period the team leads made regular reports of progress to the QC. The TAMF was meticulous in adhering to the carefully laid out timeline because they were moving into a major new fundraising effort that featured a sophisticated new marketing campaign. As application data and information were gathered and assimilated by the teams, they gave them to me to be incorporated it into a first draft of the 50-page TAPE application. I met often with the teams, some teams more often than others, to answer questions related to the Criteria and occasionally to offer moral support, and I conferred frequently with the TAMF head of marketing and senior vice president to verify facts, dates, names, titles, and so forth.

In June 2006 the TAMF leadership enlisted assistance of an additional facilitator with expertise as a TAPE examiner and judge who is hereinafter referred to as “Betty.” Betty was a dark-haired, middle-age woman of medium stature. Her unassuming physical appearance belied the fact that she was a take-charge dynamo with a friendly, positive, and engaging personality. It seemed that Betty had an endless amount of energy and stamina, and she was clearly learned in the TAPE application process. In the few months during which she was involved in the TAMF process she advised the organization’s leaders on what judges would expect to see in charts, tables, and diagrams and how the application should be organized and structured, and she assisted team members with interpretation of the Criteria category questions. She also reviewed the draft of the application that I had developed and offered insights for improving readability of the document; she met with team leads and executives individually over a hectic and intense 2-day period in September; and she redesigned charts and graphs, edited the final draft, and submitted the completed application to Quality Texas by the November 2006 deadline for the 2007 award cycle.

Other Context Factors

"Careful reflection on the emotional framing of the interview is an important part of good interviewing" (Ezzy, 2010, p. 169). Thus, I set aside time during the research study for self-reflection and journaling to document my perceptions and presumptions. The TAMF environment was very different from the environment in my workplace; thus, reflexive activities helped me to maintain a practical perspective during the course of the research study. I was particularly sensitive to organizational characteristics that seemed dissimilar, for example, the TAMF's highly professional yet family-like atmosphere.

> It was another beautiful fall afternoon. I arrived at the TAMF 18 minutes early for my interview with one of the team leads so I waited at the reception desk visiting with the receptionist. She is so friendly and always seems so happy. She told me about the Thanksgiving lunch they had today and how much food there was and how good it was. This is another example of the "family" culture fostered by the TAMF leaders. The team lead came to get me at precisely 1:30 p.m. I was struck that she is always punctual. (Journal, November 20, 2006)

Another personal reflection touched on the voluntary collaboration that I observed at the TAMF. This aspect of the TAMF work environment was not apparent in my own work environment.

> I love the sense of camaraderie and cooperation among the people at the TAMF. They all seem to appreciate each other and to understand the importance of the role each person plays in the organization. How refreshing to see such positive attitudes. How refreshing to spend time in such an environment! (Journal, December 15, 2006)

At this juncture it is important to note what I was experiencing professionally in my workplace at TAMU. The university was undergoing changes at the executive level that subsequently led to leadership changes at the division levels. The unit of which I was department head had recently been moved from the Division of Finance into the Division of Student Affairs. After just a few days of being in the new division, I was informed that my department would be merged with two others and that the Vice President for Student Affairs would advertise for a director for the new organization. I was experiencing a high level of anxiety and frustration, and frankly fear, that I might lose my job or at the very least lose the standing that I had earned over nearly two decades. It seemed that every day was bringing a new announcement that would rock my world. (I include this information to describe my state of mind during the time I was working with the TAMF on the TAPE application. It is relevant information as it pertains to preconceived ideas or bias that I might disclose.)

Another factor that played part in the study is recursivity, which refers to the process of the study changing course as a result of insights gained from revisiting findings and editing the report. Anderson and Rubenstein (2005) explained, "Recursivity may also occur in the course of writing after returning from the field . . . . recursivity is made possible by the detachment that comes from distance in time, space, and mind (achieved through the process of academic writing)" (p. 35). Thus, after being distanced from the study over time, frequently revisiting the data collected, and through the process of writing the research report, the direction of my analysis somewhat changed course to include additional considerations and comparison of my findings to those summarized in the 1996 Grider study. As Smith (2006) stated, "Writing is not just a 'mopping up' activity at the end of the research project; it should also be a way of knowing—a method of discovery and analysis" (p. 209). I was able to offer additional insights by including text about my findings as compared to Grider's earlier work with the TAMF.

The Interviews

At the conclusion of the application process I engaged in interviews with the seven TAPE Criteria teams to balance the practical and procedural aspects of the study. The use of interviews in research can take two forms, overt or covert, depending on whether the respondent knows that he or she is being interviewed (Guba & Lincoln, 1985, p. 269). In this inquiry the team members were fully informed that I was working on a research project and how I intended to use the data collected in the interviews. According to Isaac and Michael (1997), interviews have advantages and disadvantages over other forms of data-gathering techniques, such as questionnaires. Some of the advantages that interviews provide are (a) greater depth of information, (b) exploration of issues to greater detail, (c) affinity with respondents, and (d) ability to check for understanding and accuracy (p. 145). In contrast, interviews provide disadvantages in that they may be (a) inconvenient, (b) slow and long, (c) exposed to researcher subjectivity and bias, and (d) handled by unskilled interviewers. To address these factors I organized the interview process in the following way:

- I designed an interview calendar with the assistance of the executive assistant and head of marketing.
- I contacted team leads, who assisted in scheduling meetings at the convenience of team members and their work schedules.
- I developed a list of interview protocols that included purpose of the research inquiry, explanation of the interview, what would happen with the collected data, informed consent for respondent participation, and assurance of anonymity.

- I created a list of interview questions to focus the meetings (Appendix B).
- I included a peer debriefer in the meetings to help me collect information and improve the process for subsequent interviews.
- I held all interviews at the Hagler Center to accommodate the team members.

Initial team meetings were held in a meeting room on the garden level of the Hagler building. The interview room was well furnished and comfortable but it was small, there were no windows, and with the door shut for privacy it was slightly claustrophobic. Later interviews were held in either the executive conference room or a conference room with glass walls, on the second floor of the building. I was more comfortable in these rooms, which were larger and more open. I found the later interviews to be more relaxed and the participants more candid, although all team members appeared to be sincere as they engaged in the discussion.

The protocols for the interviews included describing the features of the project and giving the team members an information sheet about the research study, asking each person to sign an informed consent form stating that they had agreed to be interviewed, and reviewing interview procedures. I incorporated an explanation of my role as the researcher, the role of my peer debriefer, and the purpose and use of audiotaping of the proceedings. It was important to describe the use of the audio tapes to put the participants at ease. I assured them that I would be discreet in my use of the tapes, informed them about who had access to the tape recordings and where and how I would store, secure, and dispose of the tapes at the conclusion of the research project. All participants willingly signed the consent forms and appeared to be unconcerned about the taping of the interviews.

To facilitate a smooth flow of conversation, I prepared a list of specific questions for the interviews to channel the conversation toward the foci of the study. In the course of the interviews I allowed the conversation to flow as additional subjects or concerns emerged to delve into feelings and behaviors.

Examination of the Data

Establishing focus in the interviews was important for two reasons: It created boundaries and determined “inclusion-exclusion criteria” for new information that emerged (Guba & Lincoln, 1985, p. 228). With this in mind, I developed four questions aimed at the purpose of the study, which was to determine the utility of the TAPE Criteria as a framework for assessing and improving performance excellence in the TAMF. I intended the initial focus question (Question 1) to cover broadly the scope to which the TAMF members felt that the TAPE Criteria served as an effective framework for assessing and improving performance excellence for the TAMF. Subsequent questions became narrower and more focused. Thus, the next vein of inquiry (Question 2) was designed to establish the extent to which the participants felt that the Criteria influenced the leadership deployment of the seven categories across the organization. The purpose of the question was to learn how they fundamentally utilized the TAPE Criteria. Question 3 was designed to explore how the TAMF leaders used the TAPE Criteria to identify and align organizational and personal learning with the TAMF strategic priorities. In other words, the question sought to determine the degree to which the TAPE Criteria influenced the organization’s leaders in creating an environment in which planning, decision making, and acquiring new knowledge and skills were linked with the organization’s strategic priorities. Question 4 was designed to determine the extent to which the TAMF members had accepted the TAPE framework as a strategy for assessing and improving their performance. I anticipated that this question would provide additional explanation and insight as to why some individuals readily embraced using the TAPE Criteria and others were more reluctant to accept it.

Questions were added and asked as new veins of inquiry emerged relative to each category and team. At the end of the interviews I reviewed salient points that had emerged during the discussion with my peer debriefer, who was also working on a TAPE-based research project. After the last interview I aggregated and analyzed the data and organized it into a matrix depicting two themes—organization strengths and opportunities for improvement—as related to the 17 process and results items in the seven TAPE Criteria categories (Appendix C). I began to formulate and build a point of view by examining the data according to the two themes. To establish credibility I triangulated the findings by presenting the matrix to the TAMF executives and QC for review and input. Following are summaries of team members' responses to the interview questions with direct quotes as they relate to the respective research question.

Research Question 1

Research question 1 asked, *To what extent did the TAPE Criteria serve as an effective framework for assessing and improving performance excellence for the TAMF?*

I framed this question to cover broadly the capacity to which the TAPE Criteria served as an effective framework for assessing and improving performance excellence for the TAMF. A significant aspect of the TAPE Criteria is that they afford an organization with a performance assessment and improvement framework from a systemic perspective. The TAPE Criteria performance excellence system is comprised of seven categories: (a) leadership; (b) strategic planning; (c) customer and market focus; (d) measurement, analysis, and knowledge management; (e) workforce focus, (f) process management, and (g) business results. Each category methodically focuses on a number of items that target specific areas of business performance. The *2011-2012 Criteria for Performance Excellence* describes a performance system as being comprised of two triads: the leadership triad and the results triad. The leadership triad is made up of the leadership, strategic planning, and customer and market focus categories, while the results triad includes workforce focus, process management, and business results. Undergirding both triads is the organization's approach to measurement, analysis, and knowledge management (p. 1). According to the Criteria, the categories that emphasize leadership are clustered to highlight the need for the organization's leadership to set the strategic direction of the company and to identify and target the appropriate customer base (p. 1). The results triad is made up of the performance categories that include an organization's workforce and business processes that should align with its results.

Leonard and McGuire (2007) stated that the purpose of the Criteria is threefold: (a) to improve an organization's processes, procedures, potential, and outcomes; (b) to enhance and encourage sharing of best practices between organizations; and (c) to provide management with a framework for planning and running the business and to create intentional opportunities for organizational learning (pp. 4-5). Leonard and McGuire also suggested that, fundamentally, the Criteria advances change; "During a time of great change, such as an organization deciding to implement the Criteria, strong and confident leadership is critical" (p. 53).

At the beginning of each interview I wanted to get a feeling for the character of the group, so I asked people to introduce themselves and to explain their role in the TAMF. I asked one or two follow-up questions to probe and get the participants comfortable with the interview environment. For example, with the Leadership team I asked each person to describe how he or she came to be in a leadership position in the organization. I learned that all but one of the Leadership team members were former students at TAMU. They all came to TAMF with finance-focused backgrounds that ran the gamut from accounting to auditing to higher education campaign fundraising. The officer with the shortest tenure at the TAMF had been there for more than 13 years, and in a matter-of-fact manner, he commented on the 100-plus years of experience represented in the group.

> Just an observation—and I made this with the Board of Trustees—that I am the youngest of the group in terms of tenure, 13 plus years. . . . In an organization these days, how many places can you go and find an executive team with that many years of experience? It is probably more typical of foundation environments, and it's a very positive thing. (1/F&3M/CTL/1&2/P1/M1D/11/29/06)

This type of conversation was helpful as it gave me additional insights about the individuals.

Next I found an appropriate segue to the first protocol question regarding the extent to which they believed that the TAPE Criteria served as an effective methodology for assessing and improving performance at the TAMF. Responses from the members of the Leadership team generally indicated that the TAPE was geared more toward for-profit organizations than toward nonprofits but provided structure to the process of assessing the organization. They mentioned numerous times that the TAMF had been engaged in continuous quality improvement for more than 10 years and overall the APE application had been "a very good exercise" for the organization. This comment illustrates the sentiment:

> I have to go back and do the question again, I get so wound around the TAPE question, I don't think it so much influenced this group, the criteria, . . . I think what we did, we took our existing resources and shaped them to organize and examine and analyze the elements of TAPE to find strengths, weaknesses, opportunities for improvement, etc. and the outcome of that work that then defines where are you pretty good, where are places you need to work on, . . . that will influence the leadership team . . . doing the pick-and-shovel work to pull that out, we were just filling in the blanks. (I/F&3M/CTL/1&2/P9/M1D/ 11/29/06)

The consensus among all TAPE team participants was that the TAPE language was difficult. This Leadership team member described the difficulty: "The language is awful, and very unworkable, nonsensical and I have no use for the language"

(1/F&3M/CTL/1&2/P2/F1L/11/29/06). All Leadership team members agreed with that statement and the general outlook was summarized by this comment:

> This is not an extract [*sic*] for Quality Texas, but if organizations manage to the Criteria in order to figure out how to fill out an application they will fall behind, it's stifling . . . and that's okay . . . we've learned a lot and we've gained a lot. (1/F&3M/CTL/1&2/P3/M1D/11/29/06)

Several team members understood that the TAPE framework was a way to do business on a continuing basis but they did not indicate that it would be a *new* way of doing business for the TAMF.

> We bought into the belief years ago . . . , we want to be one of the best at what we do. . . . We have developed a passion for excellence. . . . Doing something like this to evaluate what we do and to improve is consistent with what we've done for years. (I/F&3M/CTL/1&2/P9/M1J/11/29/06)

After I went through the introductory process with the Customer and Market Focus team (Team 3), I asked the same question regarding the extent to which they felt that the TAPE Criteria was an effective methodology for assessing and improving performance at the TAMF. Team 3 members quickly picked up the point of the inquiry and one team member responded with a sense of new discovery.

> When we first started the TAPE process, I think the consensus of at least 90% of the people was, "Oh, my gosh, I'm not going to have time for this, and this is going to take up too much of my time that I need to be working on things other than this particular project, and the Foundation is doing really great, so why do we have to do this?" It was a sore spot for a while. I admit I was in that little group. . . . As we progressed, as good as we are, I realized every organization has weaknesses, not that they are blinding weaknesses, but you really need to capture and find a better way to handle them. (I/3F&3M/CTL/3/P2/F1D/12/08/06)

The tenor of Team 3 was very different from that of Leadership team. This group's responses tended to focus more on the impact of the Criteria on external aspects of the organization rather than the internal aspects. This is not surprising, considering the roles of the people in this group. The team included staff from the marketing and donor relations area and several Development Officers. It was the nature of their jobs to emphasize customers and customer relationships. As one team member stated, "We talk so much about relationship building and even though there was a part in there about customer satisfaction . . . being the front-line people, that was the part that really hit home" (I/F3&M3/CTL/3/P2/M3J/12/08/06). Another team member added, "It was very good for me . . . to have the Development Officers . . . to see front-line answers" (I/3F&3M/CTL/3/P2/F1K/12/08/06). From these comments the discussion turned to the role of Development Officers. There were comments that the Development Officers were considered "field staff." For example,

> When I came here in '84, there were only three Development Officers and the President was so instrumental in building relationships that have spanned the years. . . . Now we have 31 field officers. I know how very important the job is to build these relationships and for the rest of us to fill in the spaces. (I/3F&3M/CTL/3/P2/F1D/12/08/06)

Although the Development Officers are employed by the TAMF, they are assigned to the various university colleges and divisions and they work to raise funds for their programs and initiatives. The Development Officers' salaries are funded from the TAMF; however, they actually reside in their assigned college or division rather than in the TAMF's Hagler Center. Statements and comments made in the team meetings by the Development Officers and others led me to believe that they struggled somewhat in feeling part of the TAMF. It was clear that including the Development Officers in the TAMF improvement efforts was a relatively new phenomenon. Despite the importance of their roles in forming relationships with donors, their split reporting relationships seemed to diminish their feelings of being included in the inner workings of the TAMF. This will become clearer in following pages.

Team 4 was assigned to the Measurement, Analysis, and Knowledge Management category, and their responses about the extent to which the TAMF Criteria was an effective methodology for assessing and improving performance at the TAMF also reflected their roles in the organization. This team was concise in their responses, answering the question without extraneous effect. On the other hand, Team 4 was the most ebullient about the application process and appeared to be comfortable with and most quickly grasped the intent of the Criteria questions. This point is illustrated by the following thread of conversation.

> I feel like it helps tremendously because as you're going through answering questions you can see where your gaps are. Most of the time you don't stop every day and see what you're missing, you're maintaining and doing what you need to do but you don't take the time to see what your gaps are. I feel like this process helps you do that. (1/F4&M1/CTL/4/P1/F1M/11/13/06)
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> Right, because it, unless something happens that's never happened to you before, you don't know necessarily that you might be lacking in that particular spot; because we do seem very organized. . . . I feel like this helped us nit-pick and look at the small things that could be bigger at some point and this is where I see it helped. (1/F4&M1/CTL/4/P1/F1T/11/13/06)
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> I think because we're a diverse group and we've got someone from research, we've got someone from IS department, and we've got a Development Officer, it helped *me* see how the other departments work. (1/F4&M1/CTL/4/P1/F2B/ 11/13/06)

When asked why they seemed to be so comfortable with the Criteria questions, the team members said that it was because of the work that they had done on the TAPE Level 2 Self-Assessment, which "set the stage" for their work on the TAPE application. This team was the only team that talked in detail about the self-assessment. While they had experienced difficulties with the language, they were the only group that indicated that they had approached the Criteria with a particular strategy. "It was almost like another language, but you had to change your thought patterns and put yourself in a TAPE pattern" (1/F4&M1/CTL/4/P2/F1T/11/13/06). "As I was reading, it almost sounded like a government document. . . . I thought, "Take it slowly and take it line by line" (1/F4&M1/CTL/4/P2/F1C/11/13/06). "And that's what we did. Every question was actually five or six questions, so when we would take it one question at a time, it helped" (1/F4&M1/CTL/4/P2/F1T/11/13/06). "Getting the basic information addressed out there right away, and we did that in the very beginning when we started this about a year ago . . . . To see it on a page with bulleted information, it was just outstanding for my understanding and being able to go forward" (1/F4&M1/CTL/4/P2/F1C/11/13/06). I worked with this team the most, as they were not hesitant to ask for assistance. I write more about Team 4 later in the paper.

When I asked the Workforce Focus team (Team 5) about the extent to which the TAMF Criteria was an effective methodology for assessing and improving performance at the TAMF, one team member talked about how helpful it was to drill down into the various processes. "I think it has been very helpful because of the detail. . . . We've dissected it all the way as far as you can take it. . . . The questions were dissected and the answers were dissected. I think it was very helpful" (I/F3&M3/CTL/5/P1/M1T/12/15/06) Another team member commented on what she said was the obvious: finding weaknesses in the organization or ways to improve. When I asked her to explain, I received the following responses from the group: "At the last Quality Council they brought up certain things that we needed to look at" (I/F3&M3/CTL/5/P1/F3L/12/15/06). "It brought to light some things different departments do that different people didn't know they did. . . . It is helpful to know where you can get information or processes you can copy in your own department" (I/F3&M3/CTL/5/P1/F2S/12/15/06). "I think it's been an excellent process to help us know where we are. From what I understand, it's led to revelations to help us know areas where we need to improve. . . . That's what it's all about. . . . One of the goals of this organization is continuous improvement" (I/F3&M3/CTL/5/P1/M3D/12/15/06). I had to prompt this team for a meeting and to get their information when I was working on the TAPE application draft. While I offered my assistance on numerous occasions, the group did not request additional help. Their reticence may have been due to uncertainty about the process, difficulties with the TAPE Criteria language, or merely that they were inundated with their regular work.

Team 6 was made up of staff at the hub of the TAMF processing departments and three Development Officers. Some of their replies were positive regarding the question about the extent to which the TAPE Criteria was an effective methodology for assessing and improving performance at the TAMF, and other replies were less than enthusiastic. On the positive side, the replies indicated that the Criteria were well thought out and had forced them to look at all facets of the organization. They also commented that the Criteria was devised to help the organization think differently, especially about its business processes. However, the following comment reflects an outlook that was more restrained: "We don't know the answers until we see the results . . . the proof is yet to be demonstrated" (I/M&F/CTL/6/P1/M1J/11/06/06). This team member also informed me in the interview that he was participating in the TAPE application process out of respect for the TAMF president.

In general, a majority of the participants from all teams said that the TAPE Criteria, for the most part, was an effective methodology for assessing and improving performance at the TAMF. Among the benefits was a systematic and structured way of assessing the organization that had gone through a decade of continuous improvement efforts. The teams also articulated their comprehension that the TAMF was looking for something that would take them to the next level, and many felt that the TAPE Criteria would meet that need. They said that the Criteria was also a way to include a large number of staff in the improvement efforts, including the Development Officers, who had previously been relegated to the "field" and had not participated in the organization's intentional improvement endeavors. Finally, the team members noted that TAPE Criteria had helped them to identify process gaps and weaknesses and had forced the organization to look at every facet of their practices.

One issue came up in more than one team interview regarding process gaps: the TAMF's way of handling customer complaints. Several people indicated that the organization should deal with customer complaints in a more systematic manner. After hearing the notion repeatedly, I made the following personal note in the transcript of one of the interviews.

> The complaint issue is very interesting because it was in this group when we first met about a month ago that the complaint issue first came up and there was a lot of discussion about taking it to QC as an opportunity for improvement. It was apparently brushed aside but they, not leadership, keep pushing it forward. The staff feels it is a significant issue, even though there are not a lot of complaints. Leadership sat up when they continued to bring it up. (S. Wine personal note in transcript, December 8, 2006)

Several staff members acknowledged that the TAMF received few complaints and noted that complaints were typically handled by the person who received the complaint. However, several people indicated that they recognized that all complaints should be documented and tracked to determine frequency and trends and that everyone in the organization should be informed about them.

Regarding the position that the TAPE Criteria was not an effective methodology for assessing and improving performance at the TAMF, team members cited issues with the TAPE language, confusing and repetitive questions, and problems with the amount of time required from daily work activities. A few team members perceived the TAPE Criteria as a one-time assignment or test rather than as a continuous methodology for doing business. Based on my observations and through analyzing the data and the interviews, those who participated on the TAPE teams gained heightened awareness of the necessity to apply a holistic approach to assessing and improving their organizational performance. Further, the staff concluded that the TAPE Criteria could serve as an effective framework for assessing and improving performance excellence for the TAMF, despite issues with the Criteria language.

Research Question 2

Research question 2 asked, *To what extent did the TAPE Criteria influence the leadership deployment of: strategic planning; customer and market focus; measurement, analysis and knowledge management; workforce focus; process management; and business results within the TAMF?*

Information gathered from team interviews and data analysis revealed information regarding the extent to which the TAPE Criteria influenced the TAMF leadership in the deployment of strategic planning; customer and market focus; measurement, analysis, and knowledge management; workforce focus; process management; and business results. The Criteria focuses first on the Leadership Category, signifying that the quality of an organization's leadership is fundamental to the TAPE framework. The Criteria asks the organization to describe how senior leaders

> communicate with the workforce;
> promote high performance;
> implement a governance system;
> consistently improve their leadership;
> comply with legal and ethical standards and responsibilities; and
> meet social demands, and forming relationships with their key stakeholders (*2010-2011 Criteria for Performance Excellence*, p. 7-8)

In one interview a team member summed up the general consensus of the TAMF participants regarding their organization's leadership: "I think it's a compliment to the [TAMF] leaders, that they are leading us and they've taken us so far but they realize themselves that they needed something more to take us into the 21st century" (1/F4&M1/CTL/4/P3/F1C/11/13/06). The comment suggests that participants shared feelings that the TAMF leaders had a focus on the future and a vision of what the organization could be. In fact, visionary leadership is a core value of performance excellence. As stated in the *2011-2012 Criteria for Performance Excellence*:

> Your leaders should ensure the creation of strategies, systems, and methods for achieving performance excellence, stimulating innovation, building knowledge and capabilities, and ensuring organizational sustainability. The defined values and strategies should help guide all your organization's activities and decisions. Senior leaders should inspire and encourage your entire workforce to contribute, to develop and learn, to be innovative, and to embrace meaningful change. (p. 49)

The Criteria stresses that, to achieve performance excellence, there must be effective links among the leaders' strategy, planning, and implementation. Research question 2 focused on the degree to which the TAPE Criteria impacted the TAMF leadership in the deployment of their strategic plan and other operational and business plans. The question also inquired about the extent to which the deployment resulted in measureable outcomes. The Criteria defines deployment as the

> extent to which an approach is applied in addressing the requirements of a Baldrige Criteria item. . . . Deployment is evaluated on the basis of the breadth and depth of the application of the approach to relevant work units throughout the organization. (*2011-2012 Criteria for Performance Excellence*, p. 57)

Deployment also speaks to other organization-wide aspects related to Criteria items, such as relevancy, consistency, and impact, as well as whether approaches are used by all appropriate work units (p. 66).

Responses from the teams covered a range of issues associated with strategic planning, such as long-term strategic planning, alignment, change, engaging stakeholders, planning for growth, and involving the whole organization in strategic planning. In one interview a team member commented about the Criteria influencing the leadership's deployment of strategic planning: "In strategic planning it's challenged us about our approach and how we will share and implement our approach with the whole organization and who is engaged in that process (1/F&3M/CTL/1&2/P4/M2J/11/29/06).

The members of the team explained that the TAMF had always participated in strategic planning that revolved around TAMU instead of working on a long-term strategy that was unique to their organization. Another stated, “We realize we need to expand our strategic planning process beyond what we’ve done for a number of years which was built around a campaign process and Vision 2020” (I/F&3M/CTL/1&2/P/M1J/11/29/06).

TAMU adopted Vision 2020 in 1999; the plan articulated the university’s long-range aspiration to be recognized for academic excellence and accepted as a leader among its peer public institutions. The creation of Vision 2020 was an ambitious undertaking, led by the TAMF and involving more than 250 TAMU stakeholders. The resulting plan identified 12 imperatives, defined as precepts and goals, that guide TAMU’s strategic planning, financial planning, and administrative priorities. TAMF utilized Vision 2020 as a template for its own strategic plan for conducting institutional fundraising campaigns. The 7-year campaigns provide long-term focus and align the TAMF strategic objectives with fundraising goals and priorities. The TAMF also engaged in annual planning that resulted in quantitative and qualitative measures that drive the organization toward accomplishing its critical success factors, or CSFs.

I received comments about strategic planning that indicated that perhaps not everyone in the organization was privy to or understood the leadership’s strategic plan or strategic priorities. “In QC I keep hearing that we need to organize our strategic plan better . . . we’ve never identified what goes into that strategic plan; we need to have a stronger strategic plan” (I/3F&3M/CTL/3/P4/F1D/12/08/06). A related idea was shared by another team member regarding the impact of the TAPE Criteria on strategic planning:

> I don’t think we’re at the point that we’re deploying and implementing yet, but I think it’s going to go a long way because it made us focus on very specific areas of our operation, whether it’s customers, the very top of our leadership, long range planning. (1/3F&3M/CTL/3/P3/M3J/12/08/06)

The previous comments and the following one demonstrate that some team members realized the need for a longer-term strategic focus.

> The creation of the major gift officer that's centrally located is a great way to look at the strategic plan, to start to create a staff that is more big picture-University focused instead of college-focused. That is a small step in starting to create a strategic plan that is more long-term. (1/3F&3M/CTL/3/P5/M3J/ 12/08/06)

On the issue of customer and market focus, the interview responses indicated that team members were confused about distinguishing their primary customer. In one interview the team engaged in a lively debate regarding whether the TAMF's main customer was TAMU or the donors. From the string of comments, it is clear that the topic had been discussed previously without clear resolution.

> Is our main customer the University or is the customer the people who give us money to invest? . . . Even today I think by our charter we're here to serve Texas A&M University, we legally exist to service the university, but . . . ultimately our customer base is the giving prospects. (1/F&3M/CTL/1&2/P5/M2J/11/29/06)

> I was part of that discussion, debate . . . who are you getting your money from to produce your product? We are getting our gifts from our donors and to that extent it is the argument for making them [primary] customers. (1/F&3M/CTL/1&2/P5/F1L/11/29/06)

> We're back on the customer argument? [Rolling of eyes and a big smile] (1/F&3M/CTL/1&2/P5/M1D/11/29/06)

The comment was obviously said teasingly and the individual continued in a more thoughtful vein.

> What TAPE does is make forced choices. You are forced to make a choice about who your principal customer group is. And if you get below the global description of the TAMF there are several customer groups, but they [the Criteria] don't allow you do it, you have to pick one so that's how you get there. . . . It helps us in a sense as it causes us to renew and reexamine our customer relationships. We can't completely abandon the fact of our relationship with the University. (1/F&3M/CTL/1&2/P5/M1D/11/29/06)

Team members' comments with regard to measurement, analysis, and knowledge management indicated that this was an area in which the TAMF leadership had already directed improvement efforts. In meetings with Team 4 I learned about cross-functional collaboration that was taking place between departments in the TAMF and with their competitors for donors, The Association of Former Students, which resided across the street. For example, the two IS staffs met regularly to discuss common problems, brainstorm resolutions, and generate new ideas.

Several team members recognized that one of the TAMF's greatest strengths was the longevity of its employees due to accumulated organizational knowledge. For example, the Leadership team boasted of more than 100 years of leadership experience at the helm of the organization. Another example is illustrated in the following comment: "People want to stay here and want to work for this organization. . . . If we didn't lose them really quick, like in a year or two, we had them for 10, 12, 15 or 20 years because it is such a good place to work" (I/F2&M3/CTL/7/F1K/P1/12/14/06). The TAMF recognized that they had a staff who possessed a variety of skills and abilities and the staff was agile and able to perform at high levels under stress. The major area for improvement in this Category was the need to develop more useful and meaningful management reports based on the plentiful data and information that was collected and stored.

Analysis of the data collected in the interviews, meetings, personal reflections, and in reviewing TAPE application documents provided insights regarding workforce focus at the TAMF. For example, in the transcript of one of the interviews I noted that the participants seemed to have a narrow point of reference regarding workforce focus and that there was little discussion regarding a more comprehensive view of the organization's labor force. Similarly, I noted another aspect: "It appears team members recognize [department head] has a great deal of ownership in HR issues and they defer to her often. Leadership appears to share this point of view" (Interview notes, November 6, 2006). Two things spurred the notes. One was a comment from one of the Development

Officers that he had not seen that alignment between leadership strategy and learning had been addressed the Development Officers did not get all of the information and training that others in the TAMF received. The second insight came when another team member stated that she would have to ask the head of the Human Resources Department whether Criteria had changed leadership's thinking. This comment triggered awareness that team members in other interviews and conversations had made similar comments. I collected comments from across the teams regarding the topic of training, and there were also replies to the workforce question that suggested that a greater emphasis should be placed on employee needs and capabilities and employee satisfaction. Team members said that training opportunities at the TAMF were numerous and that no reasonable training request was denied. For example:

> I've been at other companies that are this size that training is like, "Yeah, right, you can watch over their shoulder but we're never sending you to a seminar because we don't have money for that." . . . Here, we actually do a lot of training . . . it's a different mindset. (I/F2&M4/CTL/7/P7/F1K/12/14/06)
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> The Foundation is willing to invest to give me the tools . . . for example, training. . . . I've been in user group meetings with some of the little nonprofits and they barely have a computer. . . . Any time we've wanted something, all we have to do is ask and we get it. We're not a starving nonprofit. (I/F2&M4/CTL/7/P10/F4L/12/14/06)
>
> There has been more emphasis put on tracking training and making sure people are receiving training and useful training. And there has been from leadership, opinions . . . there are certain trainings that Development Officers should not attend because they've been found to not be worthwhile to attend. So there is a lot more emphasis put on the quality of training and making sure that people are getting training, at least for the development officers. (I/F3&M3/CTL/5/P2/F2S/12/15/06)

One of the teams talked about employees' needs and satisfaction. One member said that many employees had asked about an employee survey that could convey a wealth of input and feedback. Another team member shared a similar thought:

> Staff feedback is more informal now but should be leveraged more formally through a survey. . . . It's hard if you hear one comment here and 2 or 3 weeks later you hear another comment, it's hard to aggregate that information and know

> what concerns or wishes are. But if you do a single point in time and everybody joins in . . . . TAPE raised it for us, . . . this structure raised the issue that you need to pay attention to your employees. . . . We haven't really valued them as a group to get input from . . . as a constituent group we need to service. (I/F3&M2/CTL/3/P6/F1K/12/08/06)

Nodding in agreement, the first person responded, "We also need to make sure we don't leave out the personal part of the survey . . . the human element . . . personal needs" (I/F3&M2/CTL/3/P6/F1D/12/08/06).

Another aspect of the TAMF that was emphasized in the interviews was the strong association that staff members have with the organization through employee longevity. In almost every interview team members identified the stability of the workforce as an organizational strength. One team told me about the previous evening's holiday party and the number of 10-year, 20-year, and 25-year awards that had been given to mark employee years of service. As one person put it, "Service and longevity are not as it used to be, where you went to one company and worked until you retired; today, people tend to change jobs more often" (1/F4&M2/CTL/5/P5/F1L/12/15/06). The group added an exclamation point in unison, "We're proud of our [years of] service!"

Another positive feature of the organizational culture at the TAMF was the team members' appreciation of their family-type environment. "A big challenge will be we've always taken pride in being a family environment . . . trying to ensure that family environment is going to be a challenge as we grow" (I/F2&M4/CTL/7/P10/M1J/ 12/14/06). The use of the TAPE application process enabled the TAMF to recognize its need for succession planning in order to continue to increase performance excellence.

> Our leaders are getting older and they are getting closer to retirement and we're in for a big change in our organization. People are going to start retiring and new people are going to start coming in every day. There are lots of people in the office every day and people are like, "Who's that new girl in research?" . . . We're in for a lot of changes and we can't wait for it to happen and look back and say what we should have done or what are we going do to about this. We need to meet it head on. (1F4&M1/CTL/4/P4/F2B/11/13/06)

The organization was very aware of the increasing numbers and changing demographics of their donor base. In the early 1960s the enrollment at TAMU was about 8,000 students. Shortly after the university made membership in the Corps of Cadets optional and began to admit women, enrollment at TAMU began to skyrocket. The teams recognized that their potential donor base was morphing from traditional White males over 60 years old to an increasing number of prospects who were younger, female, and more ethnically diverse.

Employee empowerment also appeared to be a deep-seated aspect of the organization's character. When discussing TAMF strengths, one person described a sense of freedom to make recommendations to upper management for change or improvement.

> I think one the things that I feel is one of our strengths is, whenever I've come up with an idea that could improve our department or could improve something in another department that I might see, like in group gift processing, I go to my boss or my boss's boss and say, "What if we do this or we do that?" I've never had them say, "Oh, that's impossible." Usually I get a response of, "Well that's a good idea." If they can say run with it, they will. They will let me do whatever I want and I can present the change that I need to be made and most of them I've come up, we've implemented. (1/F4&M1/CTL/4/P8/F2B/11/13/06)

When I asked others about their sense of empowerment, the replies came without hesitation: "Yeah, that's a definite strength" (1/F4&M1/CTL/4/P8/F2B/11/13/06).

In an interview with a different team, participants talked about the ability to do the job without restrictions.

> They hire someone to do a job, then they stand back and say, "Go do it." They provide you with the training or whatever you need. There is not a micro-management style; they give you the freedom to go do and show your talent in whatever area it is in. (1/F4&M2/CTL/5/P4/M1T/12/15/06)

The following comment summarizes the collective perception of the organization regarding their performance and improvement needs relative to results:

> One, as difficult as it is, . . . more comparable and current data are needed so we can find other organizations like us . . . so we can create a standard that we can

> measure by. More targeted data, what do we want on our dashboard . . . that helps us day to day to make decisions. More consistent feedback from our customers, in human resources, an employee satisfaction survey, growth and development, I think we've got to work on that in a more consistent way. And then the last thing is trend data across the board, everything we can try to find that shows over time how we're doing relative to people like us. (I/F2&M4/CTL/7/P8/M1D/12/14/06)

To summarize the responses to research question 2, the interview feedback indicates that the TAMF leadership deployed the Criteria in work areas. The approach involved not only creation of the seven TAPE teams but the strategic choice of leadership for each team, choice of team members, and the process of the teams reporting progress back to the QC on a regular basis. The TAMF executives participated on one or more teams and devoted their own time and efforts, thereby modeling leadership and communicating the relevance and importance of the TAPE Criteria toward performance excellence. The TAMF leadership empowered organization members by involving them in decision making through process improvement teams and by establishing the QC as a listening post. These comments from team members portray their thoughts regarding the approach (see Chapter V).

> I feel like the way these teams were organized was part of the way it [the TAPE framework] was filtering down. In our individual categories, as part of the filtering down, they selected the people for these teams that will do that in their departments. (I/F4&M1/CTL/4/P4/F1M/11/13/06)
>
> We had a really good team. I don't know who put this team together, but they obviously knew what they were doing. (I/F4&M1/CTL/4/P6/F1T/11/13/06)
>
> From hearing and after reviewing the finished product [TAPE application], I don't see how it can do anything but improve our performance. . . . It will allow us, especially our leadership, to focus on improvement. (I/F3&M2/CTL/3/P1/M3J/12/08/06)
>
> Once individuals started getting past that this was not a direct hit at them personally, we were working as a team to make this a better whole, as an organization, and you started seeing people pull together more. It wasn't such an individual "You're criticizing me, you're criticizing my department." No, we weren't doing that. We were trying to find *the best* [with emphasis] in each department and improve on it. (I/F3&M2/CTL/3/P2/F1D/12/08/06)

Thus, the TAPE Criteria definitively influenced the TAMF's leadership in the deployment of the categories of strategic planning; customer and market focus; measurement, analysis, and knowledge management; workforce focus; process management; and business results. Subsequently, the TAMF members articulated greater respect for organizational leadership and deeper understanding of organizational needs and opportunities for improvement.

Research Question 3

Research question 3 asked, *To what extent did the TAPE Criteria serve as a guide for developing an effective leadership strategy for identifying and aligning organizational and personal learning to strategic priorities?*

According to the *2011-2012 Criteria for Performance Excellence*, strategy development is an organization's approach to preparing for the future (p. 10). The Criteria explains that it is the responsibility of leadership to create a vision, or mental picture, of the organization's potential through a variety of means, such as a strategic plan, to convey the picture to its members. Attaining the vision should drive all decision making, so the challenge for leadership is to develop and communicate the strategy to aid in planning and decisions. The TAPE Criteria provides a framework to assist leadership in developing just such a strategy, through a systems approach that helps leadership to incorporate the concepts of synthesis, alignment, and integration during the strategic planning process.

> Synthesis means looking at your organization as a whole and builds on key business attributes, including your core competencies, strategic objectives, action plans, and work systems. Alignment means using the key linkages among requirements given in the Baldrige Criteria categories to ensure consistency of plans, processes, measures, and actions. Integration builds on alignment, so that the individual components of your performance management system operate in a fully interconnected manner and deliver anticipated results. (2011-2012 Criteria for Performance Excellence, p. 54)

Figure 2 is a matrix depicting the TAMF's Criteria-based strategic plan taken from their 2007 TAPE application. The strategy matrix spells out the organization's vision and mission, key competitive factors, key strategic challenges, strategic objectives, and affected stakeholder groups. An objective of research question 3 was to determine the degree to which the TAMF aligned its strategy to organizational goals through action plans, processes, decisions, and measures. A key element in alignment is organization-wide comprehension of the TAMF's objectives and goals, which leads to the second objective of research question 3: to establish how and the extent to which the organization's alignment translated to personal and organization learning. Personal learning is associated with evaluation, education, and developmental training, while organizational learning refers to exploration, comparisons, and benchmarking against what others are doing within and outside the operation and industry, as well as implementation of cycles of process improvement. Organizational learning is also associated with sharing process improvements with all appropriate work units (2011-2012 Criteria for Performance Excellence, p. 31).

According to the information conveyed in the TAPE application interviews, the teams generally perceived that the TAMF leadership had created a strategy or road map outlining the expectations for the organization's future. Comments from team members indicated that they understood the importance of organizational and personal learning but did not, or could not, articulate how the learning was aligned with strategic objectives. The following comments illustrate the participants' awareness of the TAMF strategic plan:

> As a guide, I think we're using it a great deal. . . . The information, additional plans that the executives have, I think it's going hand in hand. I see it as being cutting edge. I'm excited about it. All I can think of is that we're going forward. (I/F4&M1/CTL/4/P4/F1C/11/13/06)

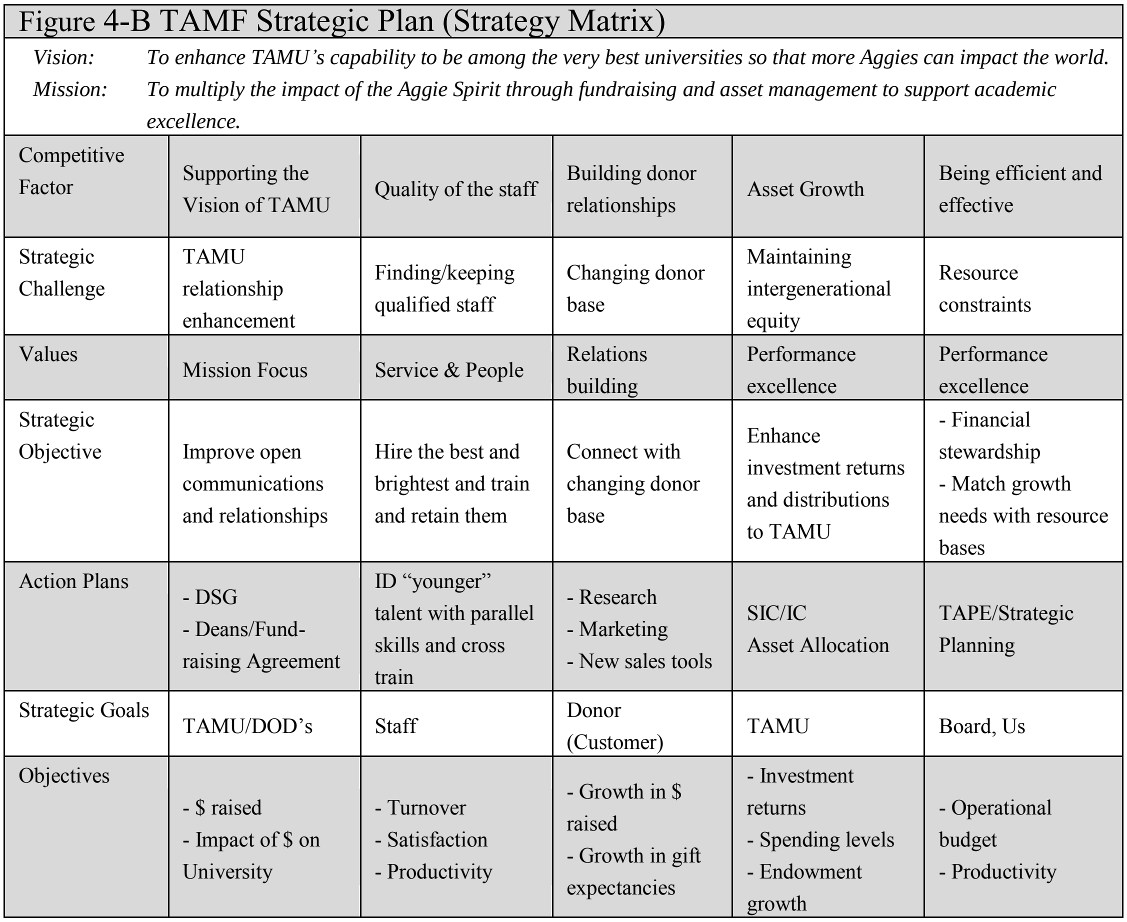

Figure 4-B TAMF Strategic Plan (Strategy Matrix)

Vision: *To enhance TAMU's capability to be among the very best universities so that more Aggies can impact the world.*

Mission: *To multiply the impact of the Aggie Spirit through fundraising and asset management to support academic excellence.*

Competitive Factor	Supporting the Vision of TAMU	Quality of the staff	Building donor relationships	Asset Growth	Being efficient and effective
Strategic Challenge	TAMU relationship enhancement	Finding/keeping qualified staff	Changing donor base	Maintaining intergenerational equity	Resource constraints
Values	Mission Focus	Service & People	Relations building	Performance excellence	Performance excellence
Strategic Objective	Improve open communications and relationships	Hire the best and brightest and train and retain them	Connect with changing donor base	Enhance investment returns and distributions to TAMU	- Financial stewardship - Match growth needs with resource bases
Action Plans	- DSG - Deans/Fund-raising Agreement	ID "younger" talent with parallel skills and cross train	- Research - Marketing - New sales tools	SIC/IC Asset Allocation	TAPE/Strategic Planning
Strategic Goals	TAMU/DOD's	Staff	Donor (Customer)	TAMU	Board, Us
Objectives	- $ raised - Impact of $ on University	- Turnover - Satisfaction - Productivity	- Growth in $ raised - Growth in gift expectancies	- Investment returns - Spending levels - Endowment growth	- Operational budget - Productivity

Figure 2. Texas A&M Foundation (TAMF) Strategic Plan (strategy matrix). CF = Competitive Factor, SC = Strategic Challenge, SO = Strategic Objective, SG = Stakeholder Group Affected. Source: *Texas A&M Foundation Application for the Texas Award for Performance Excellence* (p. 11), 2007a, by Texas A&M Foundation, College Station, TX: Author.

> I think it [TAMF] does a good job with that. We meet quarterly to talk about what those plans are and what's being done with them. I don't know of any other organization that does that. (I/F4&M1/CTL/4/P4/F1M/11/13/06)

I asked one team to describe the organization's strategic priorities before they participated on the TAPE application and they replied in the negative. By all accounts, it appeared that the TAPE Criteria framework had facilitated team members' recognition of the strategic plan; however, this was merely a cursory understanding, without specific insights as to connections between the plan and relevant Criteria category requirements aimed at alignment and learning.

In all of the team interviews I asked about the extent to which the TAPE Criteria served as a guide to aid their leadership in developing a strategy to identify and align organizational and personal learning to strategic priorities. I received the following response from the Leadership team that suggested that the Criteria was beneficial in helping them to evaluate the strategic planning process and had helped in developing an approach to communicate the plan and priorities throughout the organization: "At least in strategic planning it has challenged us about our approach and how we will share and implement our approach with the whole organization and who is engaged in that process" (I/F&3M/CTL/1&2/P4/M2J/11/29/06). However, in the other teams the question most often met with confusion or a lack of comprehension. The responses that follow demonstrate confusion between learning and training.

> I believe I've read the strategic plan cover to cover . . . from a DO standpoint we do a pretty good job of learning for our job. . . . Overall, there is not a lot of system . . . or whole-staff training. (I/F3&M2/CTL/3/P4/M3J/12/08/06)
>
> Is training part of what you're meaning? There has been more emphasis put on tracking training and making sure people are receiving training and useful training. . . . There is a lot more emphasis put on the quality of training and making sure that people are getting training. (I/2M&4F/CTL/5/P2/F2S/12/15/06)

The participants in another team interview indicated that learning was taking place for existing staff but that leadership should do a better job of aligning strategic learning opportunities for new and younger staff.

To build on the teams' responses, I inquired about organizational strengths and weaknesses that had come to light as a result of the TAPE application process. Among the strengths, the teams named recognition of leadership's vision for the future and leadership's engagement in a strategic planning process. The following comments show team member awareness that the leadership had engaged in a planning process to develop organizational direction, but there appeared to be confusion over strategic planning versus action planning and a degree of uncertainty regarding cycle time.

> I'm not aware of what our strategic plan is. I've never seen a defined strategic plan that is long term. Maybe I have but it is not called that. Have you? (I/F3&M2/CTL/3/P4/M3J/12/08/06)
>
> I know we do have the annual plan, are they considering that the strategic plan? (I/F3&M2/CTL/3/P4/F1K/12/08/06)
>
> That includes our critical success factors? (I/F3&M2/CTL/3/P4/M3J/12/08/06)
>
> They [CSF] come out it, because they are a direction that the trustees will approve. (I/F3&M2/CTL/3/P4/F1K/12/08/06)

Another point of interest that emerged in this conversation was the first and only mention CSFs by a team other than the Leadership team. There will be more about this issue forthcoming.

In the area of personal and organizational learning, the next comment demonstrates how experience with the TAPE Criteria had increased worker contentment and appreciation for the knowledge, skills, and experience of colleagues. "I think our improvement process and the involvement of people on teams with people from departments that they don't always get to associate with improves satisfaction because it helps them develop an appreciation for co-workers" (I/F4&M2/CTL/5/P5/F1L/ 12/15/06). Improved collaboration between departments and support from leadership regarding training requests were named as additional areas of organizational and personal learning.

Areas that might need improvement were also acknowledged by the TAPE teams. Among the areas that required focus for improvement were confusion about to whether the TAMF's annual plan was the same as their strategic plan and a need for a longer-term strategy, as well as a need for a strategic plan distinct from TAMU's Vision 2020. Team members, including those on the Leadership team, seemed to recognize the need for more stakeholder involvement in strategic planning and identification of strategic priorities. In general, the teams reported that the TAPE Criteria had focused attention on the necessity of consistent organization-wide training for the TAMF to continue to grow and improve. The Leadership team (Team 1) and Measurement, Analysis, and Knowledge Management team (Team 4) were cognizant of large amounts of information available in the TAMF but they acknowledged that the information should be aggregated and scrutinized.

> With our category there are some things that need to be measured that aren't being measured. I can't pinpoint exactly what they are right now. . . . You know, it's all about data these days, it's all about information, and I think we are moving in that direction but I don't think we're there. (I/F4&M1/CTL/4/P8/F1M/11/13/06)

However, the other teams maintained that there was a deficit of measures and metrics available to everyone.

When I asked the Leadership team directly about the extent to which the TAMF leadership used the TAPE Criteria as a strategy for identifying and aligning organizational and personal learning with TAMF strategic priorities, the team members explained that they used those parts of the TAPE that were useful to them.

> It is very interesting that, over a long period of time, you will not find a lot of seasoned development professionals believing that you can just export, no excuse me, import somebody else's [performance excellence] program. . . . You can import the idea but then you have to take it and get it to work for your own. (I/F3&M3/CTL/7/P4/M2J/12/14/06)

The thrust of this comment was that the TAMF was distinct from other foundations and that it was not practical for them to try to take advantage of every aspect of the Criteria. Based on their responses and my observations, it appears that the organization was responsive to the basic requirements of the TAPE Criteria but did not feel obligated to utilize all aspects of the Criteria.

Research Question 4

Research question 4 asked, *To what extent did TAMF staff members embrace the TAPE framework as a strategy for assessing and improving performance excellence in the TAMF?*

The TAMF utilized the TAPE Criteria to the extent that it supported and enhanced the performance improvement approaches that they were already employing. The TAMF leadership identified three quantitative measures and one qualitative measure that stimulated their improvement efforts. The three quantitative measures were (a) total gift dollars raised, (b) increases in gift expectancies, and (c) performance of long-term investments. The fourth measure was explained as how well the TAMF employees accomplished a set of objectives that were aligned with and developed for the purpose of accomplishing organizational goals. These objectives (called CSF), were tied to an incentive compensation program that was designed to reinforce high performance in their employees and to align performance to the organization's goals. The TAMF leadership was emphatic regarding their focus on these factors:

> For several years we have focused our business results on four measures; do you want me to name them now? There are three quantitative measures and one qualitative measure that has a lot of subcomponents that drive everything we do. What we found, and the results, is that it apparently is working because we move and have a trend line that says we are having greater and greater success in those three quantitative measures and we're getting excellent progress made in the variety of other tasks and processes and activities that people take part in to continue to build the quality of the organization. . . . We focus so much on that we have not spent a lot of time measuring and sort of evaluating and looking at some of the running the business activities that you might say we should do and we will list that as an OFI [opportunity for improvement] . . . but we're not going to take our eye off those four. We're not going to do it. (I/F2&M4/CTL/7/P1/M1D/12/14/06)

A second team member immediately exclaimed with emphasis, "We're not going to do it!" (I/F2&M4/CTL/7/P1/J1D/12/14/06), underscoring the significance of the four measures to the members of the Leadership team. Contrary to the Leadership team's position, none of the other teams focused on the four measures, although various components were mentioned from time to time.

Every team voiced concern and frustration regarding the complexity of the TAPE questions. A related criticism that emerged during conversations in the interviews and at just about every TAPE team meeting that I attended was the difficulty of the TAPE "language." The team members were not reluctant to express how they felt about this aspect of the Criteria framework:

> When you're forced to put it in the structure and answer the same thing 12 times, it is more frustrating than enjoyable. (1/F&3M/CTL/1&2/P2/F1L/11/29/06)
>
> Digging through the jargon was tough. (I/F&3M/CTL/1&2/P101/M1J/11/29/06)
>
> The language of the questions to me have been somewhat confusing and ambiguous from time to time. (I/F&3M/CTL/1&2/P2/M1J/11/29/06)
>
> We don't like it all the time because it was hard and the language is confusing. (1/F&3M/CTL/1&2/P2/M1D/11/29/06)
>
> And it asks the same question 97 different ways. We will quickly run from "tapese" because it was scary. (I/3F&2M/CTL/3/P6/F1K/12/08/06)
>
> And so many of the questions sounded the same. (I/F4&M1/CTL/4/P2/F2B/ 11/13/06)

Although the teams struggled with "tapese," as one person coined it, they remained relentless in their endeavors to complete the TAPE application, despite the difficulties associated with time and effort expended on TAPE in addition to handling the necessities of their regular jobs.

The group that seemed to embrace the TAPE framework most readily during the application process was Team 4, Measurement, Analysis, and Knowledge Management. They approached their work on the TAPE application with a positive, can-do attitude, as evidenced by the following comments from team members: "We got to know things we didn't know about each other . . . . It was such a pleasure being a part of this group. . . . There was such a bond" (I/F4&M1/CTL/4/P5/F1C/11/06/06). "I think we're so proud of our section. . . . We took ownership of it and we're proud of it" (I/F4&M1/CTL/4/P6/F2B/11/06/06). The following comment illustrates the team member's appreciation for the importance of participating as a TAPE application team:

> It never ceases to amaze me how much it takes all of us; you can get in your corner of the world and do your job, but when you realize who that affects and how they can affect you, I think it just reminds me that we're one big team. It's just so important that we all work together. (I/F4&M1/CTL/4/P5/F1T/11/06/06)

There is little doubt that the team members recognized and appreciated their leaders' commitment to continuous improvement and performance excellence.

> It's not a place where you can coast. Every cog in the wheel has a job to do and, if someone doesn't perform, then the wheel gets off balance and it is not something where you can bring someone in at a whim and just keep it going. It takes a lot of commitment on everybody's part. (1F4&M2/CTL/5/P3/M1T/12/15/06)

When urged to say more about commitment to continuous improvement, another team member offered these examples: "Our HR systems, leave reports, and expense reports . . . we've made tremendous changes over the last several years that will pay dividends for many years to come" (1/F4&M2/CTL/5/P4/M3D/12/15/06). Other comments expressed the team members' pride in working for an organization that pushed everyone to do better and be better. This comment summarized it best:

> For myself, I think that it is just an honor to be able to work for an organization that matches my mission statement and to have leaders who think the same way in the sense of what is our purpose . . . that is, to help one another and to be of service. (I/F4&M1/CTL/4/P5/F1C/11/13/06)

When the issue of using the TAPE Criteria on an ongoing basis was discussed, some team members seemed almost to dismiss the idea but others were outwardly enthusiastic about the experience and the possibilities. Both perspectives are illustrated in the following comments.

> I think we actually do a pretty good job of measuring our fundraising results, our investment results, our gift expectancies, all of our CSF's. We trend line most of these results over a 20-year period and we do an extraordinarily good job of managing our budget. That's kind of been lost in the whole discussion. (I/F3&M3/CTL/7/P4/M2J/12/14/06)

> You can be overwhelmed by the overall category and the 50 pages and how you are going to fit 30 pages of your section into the 5 pages you are allowed, but you take it a step at a time. What do they say, “How do you eat an elephant?” [laughter] It has taken time, you know it’s taken a year, but what a wonderful outcome! (I/F4&M1/CTL/4/P6/F1M/11/13/06)

The TAMF leaders considered the TAPE application a unique assessment of their improvement efforts and outcomes but none of them indicated intentions to utilize the framework on a consistent basis. Overall, the TAMF organization appeared to regard the TAPE Criteria specifically in relationship to the TAPE application experience—team member comments were couched in terms of the present or current condition, with little reference to using the TAPE Criteria in the future.

CHAPTER V

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

In the final chapter of this heuristic inquiry I interpret the variables and relationships that were previously unknown about the utility of the TAPE Criteria as a framework for assessing and improving performance excellence in the nonprofit TAMF, as brought to light through this experience with the organization as they developed an application for the 2007 TAPE award cycle.

> The case researcher emerges from one social experience, the observation, to choreograph another, the report. Knowledge is socially constructed—or so we constructivists believe . . . and through their experiential and contextual accounts, case study researchers assist readers in the construction of knowledge. (Stake, 2005, p. 454)

With this in mind, I discuss the meaning attributed to the data that were collected and analyzed and explain how the study advances the body of knowledge about the TAPE Criteria framework, particularly as used by nonprofit organizations.

Summary of Findings

The purpose of the research study was to address four research questions:

1. To what extent did the TAPE Criteria serve as an effective framework for assessing the organization and improving performance excellence for the TAMF?

2. To what extent did the TAPE Criteria influence the leadership deployment of strategic planning; customer and market focus; measurement, analysis, and knowledge management; workforce focus; process management; and business results in the TAMF?

3. To what extent did the TAPE Criteria serve as a guide for developing an effective leadership strategy for identifying and aligning organizational and personal learning to strategic priorities?

4. To what extent did TAMF staff members embrace the TAPE framework as a strategy for assessing and improving performance excellence in the TAMF?

The questions were address through a naturalistic research study of the TAMF. Data collection was emergent as I audiotaped interviews of the teams that were working on the application for the TAPE and took notes of discussions, field visits, and related documents. I was active to varying degrees of participation-observation. The following summarizes the findings related to each research question.

Research Question 1

Research question 1 asked, *To what extent did the TAPE Criteria serve as an effective framework for assessing the organization and improving performance excellence in the TAMF?*

This question essentially asked how the TAMF utilized the TAPE Criteria framework. A considerable number of responses indicated that the members of Teams 3, 4, 5, and 6 considered the TAPE Criteria to be beneficial to the organization and that it had improved signficant aspects of their performance. They expressed the belief that utilizing the TAPE Criteria was the TAMF leadership's approach to "taking them to the next level" in terms of organizational improvement and success. The outlook from the TAMF leadership was somewhat different, and this difference will emerge as an important factor in the organization's systematic utilization of the Criteria. Observations and collected data indicated that the organization's leadership did not fully utilize the Criteria as outlined; rather, they took parts of the methodology that were consistent with the TAMF point of view and utilized what they considered to be meaningful and useful. These conclusions are based on the fact that the team members contended that the TAMF leaders were looking for an approach to reenergize the organization after a strenuous fundraising campaign and that they had learned enough about the Criteria to understand that it was a systematic and structured way of assessing the TAMF's current condition. Team members also expressed in the interviews that the TAPE Criteria had helped them to identify process gaps and weaknesses, such as the TAMF's overall handling of customer complaints, and had allowed the organization to look at details of their practices. They described the methodology as inclusive, so everyone participated in the organization's intentional improvement endeavors in the past.

On the other hand, the TAMF CEO and Senior Vice President decisively identified four key factors that drove all of their decision making, planning, and actions: (a) total gift dollars raised, (b) increases in gift expectancies, (c) performance of long-term investments, and (d) number of CSFs accomplished by the organization during the year. These four key factors were embedded to some degree in various aspects of the TAMF culture. They were stated as key strategic objectives in the TAPE application, they were identified as guiding factors in planning documents, the CSFs were elemental to the employees' incentive compensation plan, and there were institutional measures in each of the four areas. In addition to emphasis on these four key factors, another thing that suggested the TAMF leadership did not entirely buy in to and fully utilize the Criteria was an allusion by some senior leaders that they viewed the application process as an "exercise," a one-time activity to be dealt with in a professional and flawless manner, precisely the same way in which the TAMF handled all of its business on a routine basis. Added to this was the TAMF leadership's verbal rejection of "tapese" and the investment of time and effort that the Criteria required of everyone in the organization.

These assertions are based partly on my exerience as a TAPE examiner, where I had the opportunity to assess three TAPE-winning organizations, one of which was also awarded the MBNQA. What these entities had in common was immersion of their organizations into the TAPE; they were totally involved in the TAPE perspective and it occupied the majority of the entire entity's time, energy, and attention. It is exactly this concentration on the TAPE Criteria and structure that it seemed the TAMF rejected because of their financial commitments to TAMU and on behalf of their donors. The TAMF leadership explained that their first priority was to see positive measures in the four key strategic objectives, all of which were financial in nature, as these led directly to the satisfaction of their key stakeholders, which, based on the incentive compensation plan, included their employees. The priorities on which the TAPE-winning organizations had focused were also directly linked to stakeholder satisfaction, although not all were directly financially driven. The award-winning organizations had also understood that their processes and procedures were either directly or indirectly impacted by financial factors, yet they had invested their efforts in the TAPE framework because they saw the dividends of success that resulted, regardless of a direct or indirect link to finances.

Research Question 2

Research question 2 asked, *To what extent did the Criteria framework influence leadership deploymnent of strategic planning, customer and market focus, measurement, analysis and knowledge management, workforce focus, process management, and business results?*

The data regarding the extent to which the TAPE Criteria influenced the TAMF leadership in the deployment of the Criteria categories revealed several things about the TAMF that were positive and exciting. One of the most inspiring results was the attitude of the TAMF staff toward the leadership of the organization. In every team interview and in almost all of the team meetings, members volunteered statements and comments that expressed their admiration and esteem for the TAMF's CEO. Foremost among the accolades was appreciation for his visionary leadership. Visionary leadership is a core value of the TAPE, and it appeared that there was an applicable link between the TAMF and the Criteria in this area. The CEO had initiated a CQI program in the TAMF more than a decade before the organization had became acquainted with the TAPE Criteria framework. His prior performance improvement endeavors were indicative of someone who not only had foresight but could also develop and implement cutting-edge plans, see them to fruition, and realize the results. It was therefore not surprising that the TAMF leadership would undertake the TAPE to propel the organization toward improved organizational performance.

In Category 2, *strategic planning,* comments by TAPE team members indicated uncertainty regarding strategic planning and its relationship to the TAMF's short-range annual plan, the level to which stakeholders were engaged in strategic planning, and how the strategic plan and strategic priorities or objectives were communicated throughout the organization. Another aspect that emerged was the degree to which TAMF backed TAMU's Vision 2020, with the potential of marginalizing focus on the TAMF's strategic planning. A constructive aspect of the strategic planning inquiry was that it appeared that the TAMF had done a good job of translating its strategic objectives, the four key business factors, into coherent themes that could be easily understood.

On the issue of *customer and market focus* (Category 3), it seemed that the TAMF leadership was experiencing success in the deployment of this Criteria category. Interviews and information gleaned in team meetings showed that the TAMF recognized its key customer segments and, through a variety of methods, had determined customer needs and expectations. The TAMF had taken several approaches to building relationships with their customers, the most important of which was the utilization of Development Officers. The TAMF was keenly aware that one of their strategic challenges would be the changing demographics of their donor base, thus, the organization had contracted with a marketing consultant and had developed a major new marketing campaign to appeal to the new market segments. The organization wrestled with the issue of whether TAMU was their primary customer—they legally exist to support the university—or the donors who provide private funding for the university's programs and activities.

With regard to *measurement, analysis, and knowledge management* (Category 4), it was clear that the TAMF leadership recognized a need for more comparative information and measures as shown in this comment: "One other thing I knew, (and this is an OFI) and that is we don't have good long term trend information that is measureable and comparable between us and some set of foundations out there" (I/F2&M4/CTL/7/P3/M1D/12/14/06). While this area presents opportunity for improvement, other areas related to the category showed evidence that the TAMF leadership recognized the importance of having a central collection point for data and information to be analyzed and disseminated to inform process improvements. An example of this was collaboration between the TAMF IS department and the IS unit at The Association of Former Students and how it was improving the amount, organization, and reliability of donor information. With regard to knowledge management, several staff members remarked on the number of employees at the TAMF with organizational knowledge and its value to the organization. The major area for improvement in this category was the need to develop more useful and meaningful management reports from the plentiful available data and information.

Insights emerged regarding the leadership's deployment of *workforce focus*. From the data collected and analyzed, I developed a sense that the TAMF leadership prioritized employees but delegated the responsibility of improvement efforts in this area to the head of Human Resources. This perception grew as a result of comments from team members who deferred to the department head on a significant number of issues. A frequent response to my inquiries was, “We need to ask [the Human Resources director].” It seemed that the participants had yielded their view of the TAMFs leadership’s philosophy on workforce focus to the individual in charge of Human Resources, making her a key figure in strategic planning related to workforce issues. Comments from across the teams regarding training indicated that the TAMF leadership supported personal learning by approving individual requests for training, but there did not appear to be a concerted effort to develop organization-wide training in key areas such as the use of metrics and data analysis and goal setting and action planning. There also appeared to be a keen interest among the employees for a survey that would inquire into employee needs, capabilities, and satisfaction levels. This issue was raised in several team interviews and discussed at length. Based on the comments, it is reasonable to conclude that the TAMF had an opportunity to focus and develop improvements that would reap significant benefits for and approval by their employees. Also noted was that involvement in the TAPE application process had heightened the participants’ recognition that the TAMF leadership was approaching retirement age and that the organization should develop a formal succession plan. The last aspect under workforce focus that emerged as a strength was the employees’ sense of empowerment and their ability to do their jobs with few restrictions.

It was evident that the TAMF had directed a significant amount of time and effort in the *process management* category. This was no surprise, as it was one of the most well-developed categories related to TAPE Criteria requirements due to the many years that the TAMF had been working on process improvements. The TAMF demonstrated a heavy focus on the efficiency of its work systems, especially those linked directly to it key stakeholders: TAMU and donors. One area that materialized as needing additional focus and attention by leadership was the way in which the organization dealt with customer complaints. Although participants in the interviews acknowledged that the TAMF received only a small number of customer complaints, they recognized that the organization would benefit from a more systematic way of dealing with them. Obviously, the members had gained insights in this area as a result of their performance improvement activities. The team members also cited the use of metrics and the search for comparatives against which to benchmark as an area for improvement.

With regard to *business results*, the TAPE teams had quite a bit to boast about. Chief among the strengths that they cited were the return on investments for their donors, the financial success of their asset management efforts, the low cost per dollar raised, and positive returns during a period of economic downturn. The team members also cited positive trend lines in total dollars raised, donor satisfaction, and donor participation in events and activities. The area cited in the interviews as most in need of improvement was the need to discover and collect comparatives by which to gauge their performance.

In summarizing the findings related to research question 2, the Criteria framework served primarily as a tool against which to assess the organization's "state of performance excellence." In other words, the TAMF had an improvement orientation that was aligned across work units to the extent that they engaged in collaborative problem solving and process improvements. The TAPE Criteria did not meaningfully influence leadership in the deployment of requirements in other categories, such as strategic planning; customer and market focus; measurement, analysis, and knowledge management; workforce focus; or business results.

Research Question 3

Research question 3 asked, *To what extent did the TAPE Criteria serve as a guide for developing an effective leadership strategy for identifying and aligning organizational and personal learning to strategic priorities?*

Responses to questions related to research question 3 were not as rich or compelling as the information related to the first two research questions. In the interviews I asked probing questions to elicit more meaningful replies but scrutiny of the verbatim transcripts, as Merriam (2009) suggested, and listening again to the interview tapes did not reveal as rich or compelling data from participants or my observations. Nevertheless, the findings can be summarized as follows.

According to the Criteria, learning is a key element in a performance improvement system (2011-2012 Criteria for Performance Excellence, p. 6). This question essentially asked how the TAMF had implemented the Criteria to facilitate organizational and personal learning as part of its management strategy for improved performance. There was little evidence to support comprehensive training and development plans aligned with strategic priorities, although there appeared to be training and learning opportunities for specific groups of employees or work units, with more effort directed toward the Development Officers. This was not surprising, as the Development Officers were described as the “face” of the TAMF to key stakeholders. The TAPE team members clearly recognized that the leadership had invested in personal learning, as evidenced by the comments that training requests were not ignored or denied.

There was enough discussion among the TAMF leaders about the CSFs to indicate that they these factors featured prominently as strategic objectives from the leaderships’ perspective; however, only one team even mentioned the CSFs. The CSFs were intended to focus TAMF employees on objectives that were aligned with and developed for the purpose of accomplishing organizational goals. The factors were tied to an incentive compensation program that was designed to reinforce high performance in their employees and to align performance to the organization's goals. The one team conversation in which CSFs were discussed conveyed perplexity and a lack of a real connection by team members regarding the significance of the relationship between the CSFs and strategic planning and knowledge and learning opportunities for the entire organization. That only one team mentioned the CSFs was indicative of a fundamental gap between strategic priorities and alignment with organizational learning.

Research Question 4

Research question 4 asked, *To what extent did the TAMF members embrace the TAPE framework as a strategy for assessing and improving performance exellence in the organization?*

In addition to the incongruity related to strategic priorities that was discussed related to research question 1, other hurdles included frustration with "tapese" and difficulties with the Criteria questions. These problems are not unique to TAMF. Not only have I shared the same frustrations; I have also observed other TAPE examiners and applicants who experienced difficulties with the wording of Criteria requirements and questions, as well as confusion over the specificity of the TAPE language. The TAMF is a stressful environment, especially in light of recent economic challenges, so it is not surprising that the TAMF members who engaged in the application process found the TAPE Criteria requirements and language to be time consuming and vexing. M. G. Brown (2010) wrote that confusing language is a test to any organization that is attempting to align its work units toward common goals and objectives. The terms in any management model or framework are open to interpretation and meaning, and organization members often engage in long and exhaustive debates over definitions and explanations. Brown described these discussions as one way to avoid getting down to the real work (p. 2). There was indication that such discussions took place in TAMF meetings, as evidenced by the comments about the afternoon spent in debating over the term *customer*. These kinds of discussions and debates are trying, but they are also healthy and beneficial for employee understanding and buy-in of strategic priorities.

There was no convincing evidence that the TAMF fully utilized or embraced the TAPE framework. There were numerous comments from team members regarding the TAMF's continuous improvement culture. These comments, together with my observations and experiences with the TAMF members, showed an organization that was responsive to the basic requirements of the TAPE Criteria. The TAMF was not broken or in need of fixing. The organization had experienced notable successes, documented in their prior performance improvement endeavors. The TAMF was a dynamic and synergistic organization with thoughtful, intentional, and visionary leaders. Team members stated numerous times that their participation in the TAPE application process was as just another step in their excellence journey.

Conclusions

Research Question 1

For the most part, the TAPE Criteria framework did not serve as an effective framework for assessing and improving performance excellence in the TAMF. The TAMF members acknowledged the value of utilizing the Criteria framework but cited specific disadvantages that, in their opinion, outweighed the benefits. A prime detriment was the difficulty of the TAPE language and the complexity of the Criteria questions. Another detriment was the investment of employee time and effort required to utilize the Criteria fully. Despite these difficulties, those who participated on the TAPE teams gained heightened awareness of the necessity to apply a holistic approach to assessing and improving their organizational performance.

Research Question 2

The TAMF leadership utilized the Criteria framework to assess where the organization was positioned relative to performance excellence, but they did not fully deploy the methodology in the seven Criteria categories (leadership; strategic planning; customer and market focus; measurement, analysis, and knowledge management; workforce focus; process management; and business results). The organization introduced the TAPE Criteria approach through engagement in the TAPE application process, but the level of deployment in all appropriate work units was not as advanced as it could have been, nor was it ongoing. Nevertheless, there was evidence that the TAMF leadership had been proficient in creating an improvement orientation and culture within the organization.

Research Question 3

Advancing knowledge, skills, and experience was important to the TAMF leadership and they recognized its impact on organizational outcomes. However, there was no compelling evidence to indicate a leadership driven effort to align organizatiowide learning to strategic priorities specifically within the TAPE context. The TAMF utilized the TAPE Criteria to the extent that it supported and enhanced the performance improvement approaches that they were already employing. The TAMF leadership emphasized its three quantitative measures: (a) total gift dollars raised, (b) increases in gift expectancies, and (c) performance of long-term investments in their improvement efforts. The fourth measure, CSF, was explained as how well the TAMF employees accomplished a set of objectives that were aligned with and developed for the purpose of accomplishing organizational goals. These CSF were tied to an incentive compensation program that was intended to reinforce high performance and to align performance to the organization’s goals. The TAMF leadership was emphatic regarding their focus on all four factors but for employees there appeared to be more emphasis on the CSF, as this was where they could actively participate in the strategic planning process through the incentive compensation plan. The gap in this area is indicative that the organization was still in the beginning stages of aligning organizational learning with strategic priorities.

Research Question 4

The TAMF did not fully utilize the Criteria as it is structured. Instead, the TAMF leadership pragmatically took the parts of the methodology that were consistent with their point of view and utilized what they considered to be meaningful and useful. This conclusion is based primarily on four matters. First was the number of staff members who said that they believed that the TAMF leaders were looking for an approach to reenergize the organization after a strenuous fundraising campaign. Second was the clear and decisive manner in which the TAMF leadership discussed the four key factors that guided their decision making, planning, and actions. The third matter involved the perception by key leadership individuals that the application process was a one-time activity to be accomplish before moving on. Fourth was the difficulty of “tapese” and the time and effort investment that the Criteria required of everyone in the organization. TAPE team members voiced their exhaustion on a number of occasions at trying to deal with the Criteria on top of handing their regular jobs and on the heels of their most successful fundraising campaign. This factor emphasizes the unique context in which the TAMF leadership utilized the TAPE Criteria; thus, it is explicable that the TAMF leadership viewed the TAPE Criteria in the light of how it could support its mission success, rather than supplanting management practices that had historically achieved organizational goals that met/exceeded customer needs and expections.

Additional Conclusions

Several additional conclusions can be drawn from the study:

1. The TAMF members gained heightened awareness of the need to assess the organization from a systematic perspective.

2. The TAMF members acknowledged and valued visionary leaders at the forefront of the organization.

3. Accountability and performance are important to the success of nonprofits, including the TAMF. The TAMF participants recognized that their strategic planning process could be improved by involving employees and other key stakeholders, especially donors from the fundraising perspective and TAMU from the asset management perspective.

4. The TAMF members recognized their evolving customer base and agreed that this aspect of their business should be highlighted in future planning.

5. TAMF leadership valued their employees and understood that their employees were the driving force behind accomplishing organizational goals and objectives.

6. To improve performance excellence in the TAMF, there is a need for improved metrics and measures to inform management on the processes that support daily operation of the business.

Testing Grider's Study

After concluding data analysis, I reviewed Grider's (1996) summary of conclusions to compare the findings of that study with the findings of the current study. In general, the current research validated Grider's findings.

The initial impact of CQI on organization culture and processes is positive.

> The CQI methodology guides teams to key process areas requiring improvement.
>
> One of the most valuable attributes of CQI is its facilitation of shared understanding and collaboration across organizational and institutional lines.
>
> Selection of team members has a significant impact on CQI methodology, both regarding the interaction of team members and the comprehensiveness of process improvements and team products.
>
> Though it encompasses a unique methodology that fosters teamwork, CQI (similar to other teamwork approaches) is not a short-term panacea for deeply entrenched conflicts between organizational members.
>
> The CQI methodology is implemented more easily, but not necessarily more effectively, into linear processes compared to nonlinear (or nonexistent) processes.
>
> Within this study, constructivist inquiry captured the most important nuances of human experience, and paralleled and complemented many tenets of CQI theory. (Grider, 1996, pp. 207-209)

As Grider indicated, CQI is a methodology more easily employed in linear processes than in nonlinear (or nonexistent) processes. He stated that a central theme in CQI theory is critical process improvement and he emphasized Cole's stance relating all work to a series of processes; thus, in order to improve work, the processes must be improved. Underscoring the point, Grider cited Cole in defining a process as "a series of tasks or activities that takes an input (those things needed to do the job), modifies the input (when work takes place and/or value is added), and produces an output (a service or product for example)" (p. 96). Based on Grider's work, the implication is that an organization with a disorganized or chaotic management structure that does not have clearly defined work processes may find it difficult to put CQI into practice.

Other Findings

Overall, the TAMF management system exhibits the fundamental elements of a performance excellence framework. The organization has a clear and solid identity and a practical performance management approach that, for the most part, is based on facts and knowledge. There is clearly esprit de corps in the TAMF organization. The

American Heritage Dictionary (1985) defined *esprit de corps* as “a common spirit of comradeship, enthusiasm, and devotion to a cause among the members of a group” (p. 465). *Merriam Webster Dictionary* (2011) defined the term as “the strong spirit existing between the members of a group and inspiring enthusiasm, devotion, and strong regard for the honor of the group” (para. 1). Both definitions effectively described the environment at the TAMF. In general, the organization emphasized what one person called “the good of the whole.”

The TAMF members were happy and satisfied with the organization as they understood and shared the leadership’s vision of performance excellence. They have a voice in management decisions, are comfortable with the team-centric organization structure, respect and trust the organization’s leadership, and are proud of the TAMF’s accomplishments. Most of the interview participants described the TAPE experience, implementing the framework, and applying for the award as beneficial and providing benefits for the TAMF. For example, the process revealed opportunities for improvement in their management approach, deployment, learning, and integration of certain work processes, such as response to customer complaints. It also demonstrated that the organization could utilize large amounts of collected data to a greater extent to measure levels, trends, comparisons, and integration of outputs and outcomes. The data that I collected and analyzed revealed that TAMF members recognized that a key factor in their continued success will be how well they manage the continuing growth of the organization. The themes as identified are relevant and should be useful to the TAMF in the operation of the business that supports their strategic goals and objectives.

Recommendations to TAMF

Based on the findings and conclusions of this research study, the following recommendations are offered to the TAMF as they continue their performance excellence journey:

1. *Continue to travel along your performance excellence journey in the way you feel best suits the TAMF organization.* Cairns et al. (2005) contended that performance improvement systems that are not compatible to a nonprofit's organizational culture are doomed to failure. Instead, they suggested that the organization employ approaches that are relevant and sensitive to the organization's unique environment (p. 148). The TAMF leadership recognized the value of applying the holistic TAPE Criteria approach to performance excellence, yet they distinguished and used only those parts of the Criteria that they found meaningful and effective. The organization should continue this approach to the extent that the methodologies are repeatable, based on facts and data, and effective.

2. *Have key staff apply for and attend TAPE or Baldrige Examiner training.* Several TAMF staff members were enthusiastic about the learning that they had acquired during the TAPE application process. New knowledge and the wisdom that comes from learning can only benefit the TAMF. If the organization plans to integrate parts of the TAPE Criteria into their performance excellence program, it would be beneficial to have in-house experts. I found the examiner training to be helpful in numerous areas of management, especially evaluation and assessment. The exposure to best practices in other organizations is invaluable, regardless of the sector, as it spurs energy and creativity.

3. *Endeavor to improve intentional and consistent deployment of TAPE Criteria requirements that you find useful and relevant to all appropriate work units in the*

organization. Deployment of Criteria into work units will help the organization to align resources and processes, engage the workforce and stakeholders, and assist leadership to think and make decisions strategically.

4. *Explore opportunities for involving staff in all four key measures that drive organizational decision-making, planning, and actions: (a) total gift dollars raised, (b) increases in gift expectancies, (c) performance of long-term investments, and (d) number of CSFs accomplished by the organization during the year.* These four key factors were embedded to some degree in various aspects of the TAMF culture. By increasing staff awareness and involvement in all four key factors, the TAMF leadership should be able to close associated gaps in organizational learning and continue to improve performance.

5. *Continue to expand and employ cycles of evaluation and improvement to operational processes.* The TAMF will persist in enhancing learning, both personal and organizational, if it continues to emphasize its process improvement methodologies. Enhanced learning will inevitably bring innovation and new knowledge to the organization, making it more competitive and able to provide additional value to its customers.

6. *Integrate additional Criteria requirements into the TAMF's performance improvement agenda.* Addition of certain Criteria requirements will move the organization closer to formal organizational learning and a more systematic performance improvement approach. The more holistic the performance improvement approach, the more efficiencies that will be realized and the more progress toward accomplishing organizational goals and objectives.2

Recommendations for Practice

TAPE administrators will benefit from the current research, as it provides information on how well applicants understood the Criteria and performance excellence concepts and how they experienced and learned the taxonomy of the framework. The "tapese" issue suggests that TAPE study ways to simplify the language and the way the Criteria is structured.

The use of the TAPE Criteria by nonprofits is slowly increasing but advances from study to actual practice can be accelerated by looking carefully at how the TAMF used the Criteria to assess and improve their performance and how they went about applying for the award. Similar organizations can envision and chart their own journeys to performance excellence by using the TAMF experience to inform their planning and approach.

Recommendations for Further Study

The findings and conclusions led to identification of topics for future research.

It would be helpful and interesting to study why foundations choose the approach that they employ, how they implement it in their organization, and the benefits, disadvantages, and success that they experience as a result. This study provides but one case study; additional studies would add to the literature on the effectiveness of performance excellence approaches in nonprofit fundraising organizations.

A longitudinal study of a foundation or foundations that have deployed performance improvement criteria over a period of time would be useful. Numerous changes occur over time, and the impact of these changes on the effectiveness of performance excellence approaches in nonprofits, as well as the extent to which particular approaches remain effective during times of change, would be particularly interesting and beneficial to businesses in all sectors, particularly to nonprofits.

Study of other nonprofit fundraising organizations would be aid TAPE administrators in improving the usefulness and functionality of the Criteria framework across all business arenas. Such study would also contribute to enhanced understanding of how the Criteria are relevant and can be used by nonprofit fundraising organizations.

Lessons Learned

I applied existing methodology to the research study, although in hindsight there were numerous “a ha!” moments when learning became apparent after the methodological applications:

First, qualitative research is emergent; however, there must be design and structure to the process, specifically a methodology that is accurately and carefully executed to establish credibility, transferability, dependability, and confirmability. This is very time consuming and arduous but also very necessary. For example, more thoughtful pre-interview preparation might have produced a more effective design and application.

Second, while the interviews were structured by a specific protocol and interview questions were prepared in advance, I never quite felt prepared as I went to a meeting. Guba and Lincoln (1985) recommend practicing with a “stand-in” (p. 270). This advice should have been heeded for several reasons. First, practicing with a surrogate would have served to help me to become more comfortable with the interview questions so they flowed naturally and conversationally. In the first couple of interviews I felt that I was coming across as an interrogator rather than someone who wanted to engage in dialogue. I had come to know all of the team members quite well through team meetings, but only during the later interviews did I feel that my “warm up” questions were doing an adequate job of creating a relaxed atmosphere. Practicing with a substitute would also have provided an opportunity to work on observation skills. When listening to the interview audio tapes, I identified situations when verbal cues were ambivalent and could have been affirmed with better documentation of associated nonverbal cues. For example, verbal cues in the tapes of the earlier interviews led me to conclude that the closeness of the interview space had contributed to the participants feeling less comfortable and natural, while responses on the tapes of subsequent interviews that took place in a more open physical environment seemed less hesitant and more spontaneous. This could also be attributed to the fact that I was more comfortable in the role as interviewer. In future interview circumstances I will pay more attention to nonverbal cues and will document my observations more carefully. In addition, I will be cognizant of scheduling interviews in an environment that is open and comfortable for both the participants and for, if possible.

Maintaining perspective was sometimes a challenge in the research endeavor, especially when contrasting the work environment at the TAMF with the culture that existed at my workplace at the time. The processes of journaling and regularly stepping back from the research activities were helpful mechanisms for separating the realm of the TAMF and my own reality. The ability to change course as I garnered new insights was effective in completing the study.

In Closing

The TAMF primarily used the TAPE Criteria framework as a one-time assessment. The organization’s historical approach to CQI had facilitated the TAMF in applying best practices that had led it to be one of the leading higher education fundraising foundations in the country. The TAMF’s CQI endeavors and the resulting maturity of the organization had led them to develop and utilize a unique performance excellence approach, rather than employing an institutionalized methodology. The length of time the TAMF had been engaged in their performance excellence journey provided the organization with insights unique to the TAMF. Organizations that are just starting out on their performance excellence journey would not be likely to experience the same level of added value if they attempted to emulate the TAMF approach. In addition, it is important to remember that, when taking on a major organizational change, time does not stand still; changes will continue to occur even as a change effort is initiated and implemented and other variations are taking place at the personal and interpersonal level and in the business and social environment,

Last Word

Looking back at my time and experience with the TAMF, I am struck by an analogy between the utility of the TAPE Criteria for assessing and improving performance and the fundamentals of an effective golf swing. On the one hand, to get the best out of both it is necessary to have a systemic perspective. Tim Mahoney, director of education for Troon Golf, a premier golf property management and consulting firm in the golf industry, will tell you that the most important elements for a successful golf swing are the pre-swing fundamentals. Tim is touted as one of the most accomplished golf instructors in America by *Golf Digest* and *Golf Magazine*. His philosophy is that the golfer's grip on the golf club, posture when addressing the ball, the location of the ball relative to stance, the direction the golfer is aiming, and the individual's frame of mind and tension level are all related to performing a synchronized swing and striking the ball at the "sweet spot." According to Mahoney,

> The grip controls the clubface and release through impact. Ball position controls the swing path. Posture controls the body's pivot. Aim controls the sequence during the swing. Mind-set controls the ability to adjust. And, the body's tension level controls the ability to swing the club without interference. (Tim Mahoney Golf website, Teaching Philosophy section)

Entrenched in Mahoney's description is the systematic nature of the fundamental elements of the golf swing. The steps are regimented, repeatable, and adjusted by data integrated by the golfer. Inherent is learning and the ability to evaluate the success of each swing and make adjustments for improvement which leads to increased proficiency and success.

Just as the systematic nature of the pre-swing golf fundamentals are essential to an excellent golf shot, so too is the systematic nature of the TAPE Criteria essential to assessing and enhancing performance excellence in business. Golf professional Mahoney explained that having an effective golf swing that includes the integrated elements of grip, posture, stance, and aim as necessary for hitting a golf shot that will progress the ball ultimately into the cup on the green. Likewise, the TAPE Criteria explains, “The systems perspective to goal alignment is embedded in the integrated structure of the core values and concepts; the Organizational Profile; the Criteria; the scoring guidelines; and the results-oriented, cause-effect, cross-process linkages among the Criteria items” (p. 55). Similarly, the pre-swing fundamentals are important to a golfer hitting a successful golf shot and the four stages in the improvement cycles of the TAPE Criteria framework—approach, deployment, learning and integration—are important for an organization to accomplish organizational goals and objectives and to attain a competitive advantage.

The analogy is limited. Whereas golf is a solo sport, in which individual basically complete against themselves, utilizing a management framework to accomplish performance excellence is an inclusive and team endeavor. This research study has shown that an organization leader cannot accomplish performance excellence alone; he or she must engage all parts of the organization to maximize accomplishments.

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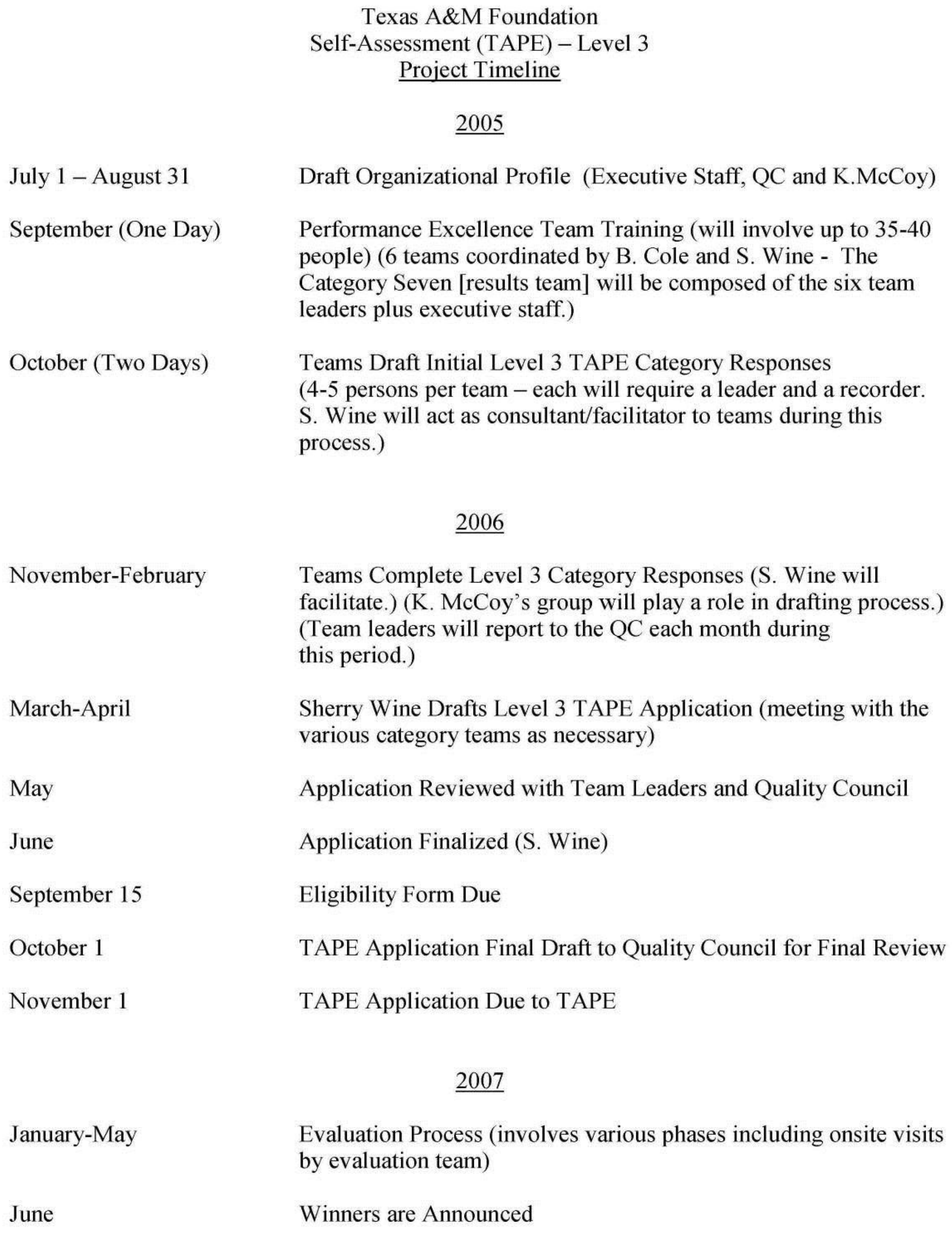
APPENDIX A

TAPE APPLICATION STRATEGY AND TIMELINE



Texas A&M Foundation
Self-Assessment (TAPE) – Level 3
Project Timeline

2005

July 1 – August 31	Draft Organizational Profile (Executive Staff, QC and K.McCoy)
September (One Day)	Performance Excellence Team Training (will involve up to 35-40 people) (6 teams coordinated by B. Cole and S. Wine - The Category Seven [results team] will be composed of the six team leaders plus executive staff.)
October (Two Days)	Teams Draft Initial Level 3 TAPE Category Responses (4-5 persons per team – each will require a leader and a recorder. S. Wine will act as consultant/facilitator to teams during this process.)

2006

November-February	Teams Complete Level 3 Category Responses (S. Wine will facilitate.) (K. McCoy's group will play a role in drafting process.) (Team leaders will report to the QC each month during this period.)
March-April	Sherry Wine Drafts Level 3 TAPE Application (meeting with the various category teams as necessary)
May	Application Reviewed with Team Leaders and Quality Council
June	Application Finalized (S. Wine)
September 15	Eligibility Form Due
October 1	TAPE Application Final Draft to Quality Council for Final Review
November 1	TAPE Application Due to TAPE

2007

January-May	Evaluation Process (involves various phases including onsite visits by evaluation team)
June	Winners are Announced

APPENDIX B

INTERVIEW PROTOCOL

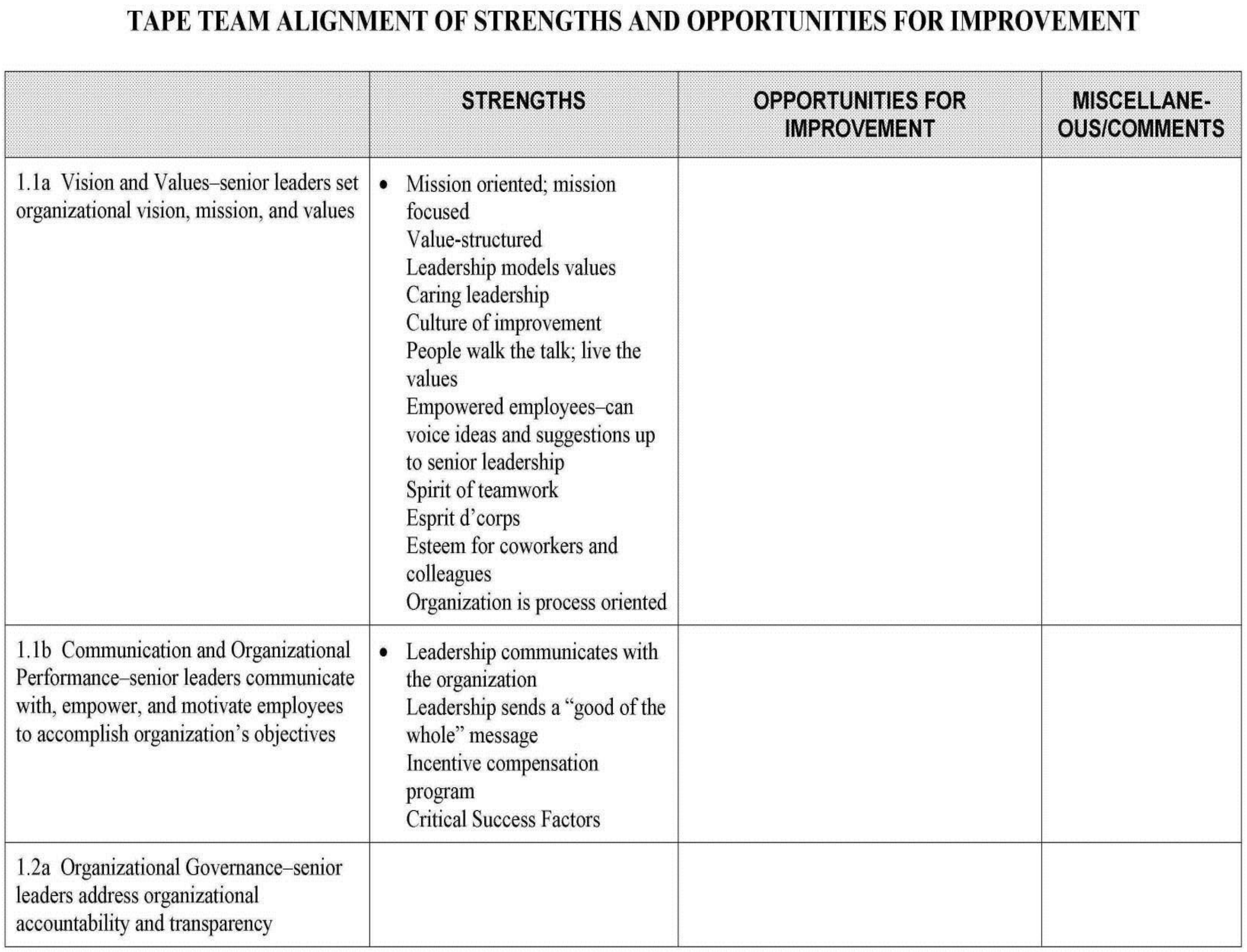
Interview Questions

The Utility of the Texas Award for Performance Excellence Criteria as a Framework for Refinement and Enhancement of the Texas A&M Foundation's Journey Toward Performance Excellence: A Case Study

1. To what extent do you believe the Texas Award for Performance Excellence (TAPE) criteria serves as an effective methodology for assessing and improving performance at the Texas A&M Foundation?
2. To what extent do you feel the TAPE criteria influence the Texas A&M leadership in planning for and deploying the following?
    - Strategic planning
    - Customer and market focus
    - Measurement, analysis and knowledge management
    - Human resources focus
    - Process management
    - Business results
3. To what extent do you think the leadership utilizes the TAPE criteria as a guide for aligning organizational and personal learning to the Texas A&M Foundation's strategic priorities?
4. What have you learned about the Texas A&M Foundation as a result of your experience as a participant on the TAPE application team?
5. What are some of the self-discoveries that have come to light based on your experience as a participant on the TAPE application team?
6. Based on your experience as a participant on the TAPE application team, identify the Texas A&M Foundation's organizational strengths that can be leveraged.
7. What are some organizational areas that may provide additional opportunities for improvement?

APPENDIX C

TAPE TEAM ALIGNMENT OF STRENGTHS AND OPPORTUNITIES FOR IMPROVEMENT



TAPE TEAM ALIGNMENT OF STRENGTHS AND OPPORTUNITIES FOR IMPROVEMENT

	STRENGTHS	OPPORTUNITIES FOR IMPROVEMENT	MISCELLANE-OUS/COMMENTS
1.1a Vision and Values–senior leaders set organizational vision, mission, and values	• Mission oriented; mission focused Value-structured Leadership models values Caring leadership Culture of improvement People walk the talk; live the values Empowered employees–can voice ideas and suggestions up to senior leadership Spirit of teamwork Esprit d'corps Esteem for coworkers and colleagues Organization is process oriented		
1.1b Communication and Organizational Performance–senior leaders communicate with, empower, and motivate employees to accomplish organization's objectives	• Leadership communicates with the organization Leadership sends a "good of the whole" message Incentive compensation program Critical Success Factors		
1.2a Organizational Governance–senior leaders address organizational accountability and transparency			

	STRENGTHS	OPPORTUNITIES FOR IMPROVEMENT	MISCELLANE-OUS/COMMENTS
1.2b Legal and Ethical Behavior–senior leaders address impact of organization's services, products and behaviors on community and society			
1.2c Support of Key Communities			
2.1a Strategy Deployment Process–how organization conducts its strategic planning	• Effort to systematically get people in the organization involved and take ownership in the improvement of the organization • Assessing the organization from a systematic perspective	• Should develop a strategic plan that defines how TAMF should operate separate and distinct from TAMU as well as in conjunction with TAMU • Engage more of the organization in strategic planning process • Strategic plan that has a 5-year time frame; incorporating the annual plans • Longer-term planning not as focused as it might be • Incorporate stakeholder engagement in strategic planning process (i.e., donor, employee input and feedback)	
2.1b Strategic Objectives–what are organization's key strategic goals and objectives	• Going to the next level in their quality journey		
2.2a Action Plan Development/ Deployment–how the organization plans and deploys action plans to achieve strategic objectives		• Define difference between annual plan and strategic plan	

	STRENGTHS	OPPORTUNITIES FOR IMPROVEMENT	MISCELLANE-OUS/COMMENTS
2.2b Performance Projection–what are key measures for performance projections for short-term and long-term planning horizons; how does it compare with projections of key comparatives		• Planning for growth–process and procedures in place to synthesize and communicate critical information throughout the organization as it grows • Need to do more constructing and deconstructing of processes due to continuing and ongoing change of environment external to TAMU Comparative data (within and without) • Measure against comparatives for critical areas well, it is the drill down that causes problems (this goes in process section)	
3.1a Customer and Market Knowledge–how organization recognizes key customer segments/markets, determines their requirements, needs and expectations	• Recognition of changing customer demographics		
3.2a Customer Relationship Building–how organization builds and manages the customer relationships (including complaint process)	• Willingness to partner with competitors	• Need a formalized customer complaint process • Need to track and trend customer complaints	
3.2b Customer Satisfaction Determination		•	

	STRENGTHS	OPPORTUNITIES FOR IMPROVEMENT	MISCELLANEOUS/COMMENTS
4.1a Performance Measurement–how the organization selects, collects, aligns and integrates data and information for tracking daily operations and performance		• Improve metrics designed into processes • Need to conduct trend analyses on the "sales" side of organization	
4.1b Performance Analysis and Review–how to review organizational performance capabilities and translate them into strategic priorities	• Good at constructing and deconstructing processes and not afraid to do it •	• Better explain trend analyses • Evaluation and analysis of metrics and measures	
4.2a Data and Information Availability–how the organization makes needed data and information available	• Cross- collaboration between departments; cross-networking	• Improve number and quality of management reports	
4.2b Organizational Knowledge Management–how you manage organizational knowledge	• Longevity of the employees; organizational knowledge	• Senior leaders and others to better define expectations of a good DO report	
4.2c Data, Information and Knowledge Quality			
5.1a Organization/Management of Work –how do you organize and manage work and jobs to promote cooperation, initiative, empowerment, innovation and your organizational culture	• Skills and abilities of individuals • Hire from diverse work backgrounds • Agility–elasticity and ability to perform under stress		

	STRENGTHS	OPPORTUNITIES FOR IMPROVEMENT	MISCELLANEOUS/COMMENTS
5.1b Employee Performance Management System–how does your employee performance management system, including employee feedback, support high performance work and contribute to the achievement of action plans			
5.1c Hiring and Career Progression–how do you identify skills, knowledge and abilities needed in jobs; how do you recruit, hire and retain new employees; how do you insure your employees represent ideas, cultures and thinking representative of your employee hiring community; how do you accomplish effective succession planning for leaders and management positions		• Need a clear defined leadership succession plan	
5.2a Employee Education, Training and Development—how do employee education and training contribute to the achievement of action plans	• More emphasis put on tracking the training of development officers • Senior leaders support and provide training as requested; no reasonable requests denied	• Need a systematic approach to organization-wide training and follow-up evaluation of training after initial new hire training (specifically policies and procedures, strategic plan, new processes and procedures, etc.) • Improve training in metrics, data gathering (mining) and analysis • Gaps in tracking training and aggregating the training data	

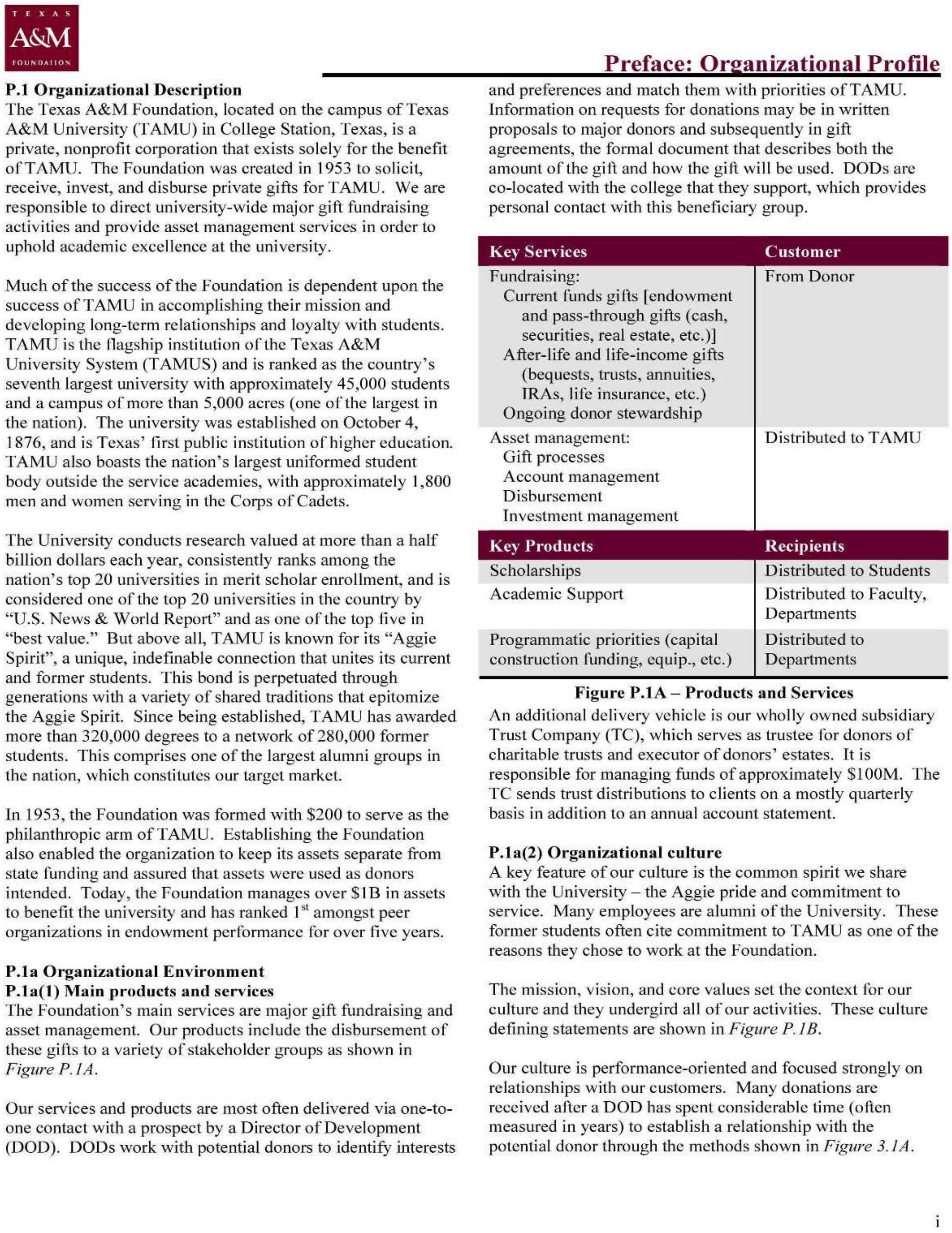
	STRENGTHS	OPPORTUNITIES FOR IMPROVEMENT	MISCELLANE-OUS/COMMENTS
5.2b Motivation and Career Development –how do you motivate employees to develop and utilize their full potential			
5.3a Work Environment–how do you insure workplace health, safety, security and ergonomics in a proactive manner		• Need to celebrate internal successes (as opposed to the TAMF successes) For example, the TAPE experience	
5.3b Employee Support and Satisfaction —how do you determine key factors that determine employee satisfaction and wellbeing		• Need more formalized employee feedback • Employee survey – to formalize employee feedback and input	
6.1a Value Creation Processes—how does organization determine key value creation processes, requirements, measures		• Use of comparatives in the industry; search for comparatives	
6.2a Support Processes–how does organization determine key support processes, requirements, measures			
6.2b Operational Planning–how does your organization insure there are adequate financial resources to support operations			
7.1 Product and Service Results–levels and trends of results relative to services/products important to customers/markets			

	STRENGTHS	OPPORTUNITIES FOR IMPROVEMENT	MISCELLANE-OUS/COMMENTS
7.2 Customer-Focused Results–levels and trends of results of customer satisfaction/dissatisfaction, loyalty, retention, referral			
7.3 Financial and Market Results–levels and trends of financial performance including aggregate measures of financial return and economic value; levels and trends of marketplace performance including market share, business growth and new markets entered	• Pennies per dollars raised (this needs to be worded more generally) • ROI for donors • Assets results indicative of financial success and improvement • Results raising funds for a relatively small organization compared to other organizations • Results: cost per dollars raised at the top with the very best • No negative returns compared to others during two of worst investment years past		
7.4 Human Resources Results–levels and trends of work system performance and effectiveness, learning and development, and employee satisfaction/dissatisfaction and well-being	• Longevity of employees indicator of employee satisfaction •		
7.5 Organizational Effectiveness Results–levels and trends of operational performance of key value creation processes including cycle time, productivity, supplier and partner performance	•	• Attention to results related to running the business • Need additional results of budget to performance	

	STRENGTHS	OPPORTUNITIES FOR IMPROVEMENT	MISCELLANEOUS/COMMENTS
7.6 Leadership and Social Responsibility Results–key measures of accomplishment of organizational strategy and action plans	• Focused business results on four measures as key drivers: three quantitative and one qualitative measure • Trend lines in quantitative measures indicative of success • Discovered a great deal of results information •		

APPENDIX D

TAMF APPLICATION FOR TAPE



TEXAS
A&M
FOUNDATION

Preface: Organizational Profile

P.1 Organizational Description

The Texas A&M Foundation, located on the campus of Texas A&M University (TAMU) in College Station, Texas, is a private, nonprofit corporation that exists solely for the benefit of TAMU. The Foundation was created in 1953 to solicit, receive, invest, and disburse private gifts for TAMU. We are responsible to direct university-wide major gift fundraising activities and provide asset management services in order to uphold academic excellence at the university.

Much of the success of the Foundation is dependent upon the success of TAMU in accomplishing their mission and developing long-term relationships and loyalty with students. TAMU is the flagship institution of the Texas A&M University System (TAMUS) and is ranked as the country's seventh largest university with approximately 45,000 students and a campus of more than 5,000 acres (one of the largest in the nation). The university was established on October 4, 1876, and is Texas' first public institution of higher education. TAMU also boasts the nation's largest uniformed student body outside the service academies, with approximately 1,800 men and women serving in the Corps of Cadets.

The University conducts research valued at more than a half billion dollars each year, consistently ranks among the nation's top 20 universities in merit scholar enrollment, and is considered one of the top 20 universities in the country by "U.S. News & World Report" and as one of the top five in "best value." But above all, TAMU is known for its "Aggie Spirit", a unique, indefinable connection that unites its current and former students. This bond is perpetuated through generations with a variety of shared traditions that epitomize the Aggie Spirit. Since being established, TAMU has awarded more than 320,000 degrees to a network of 280,000 former students. This comprises one of the largest alumni groups in the nation, which constitutes our target market.

In 1953, the Foundation was formed with $200 to serve as the philanthropic arm of TAMU. Establishing the Foundation also enabled the organization to keep its assets separate from state funding and assured that assets were used as donors intended. Today, the Foundation manages over $1B in assets to benefit the university and has ranked 1st amongst peer organizations in endowment performance for over five years.

P.1a Organizational Environment

P.1a(1) Main products and services

The Foundation's main services are major gift fundraising and asset management. Our products include the disbursement of these gifts to a variety of stakeholder groups as shown in *Figure P.1A*.

Our services and products are most often delivered via one-to-one contact with a prospect by a Director of Development (DOD). DODs work with potential donors to identify interests and preferences and match them with priorities of TAMU. Information on requests for donations may be in written proposals to major donors and subsequently in gift agreements, the formal document that describes both the amount of the gift and how the gift will be used. DODs are co-located with the college that they support, which provides personal contact with this beneficiary group.

Key Services	Customer
Fundraising: Current funds gifts [endowment and pass-through gifts (cash, securities, real estate, etc.)] After-life and life-income gifts (bequests, trusts, annuities, IRAs, life insurance, etc.) Ongoing donor stewardship	From Donor
Asset management: Gift processes Account management Disbursement Investment management	Distributed to TAMU
Key Products	**Recipients**
Scholarships	Distributed to Students
Academic Support	Distributed to Faculty, Departments
Programmatic priorities (capital construction funding, equip., etc.)	Distributed to Departments

Figure P.1A – Products and Services

An additional delivery vehicle is our wholly owned subsidiary Trust Company (TC), which serves as trustee for donors of charitable trusts and executor of donors' estates. It is responsible for managing funds of approximately $100M. The TC sends trust distributions to clients on a mostly quarterly basis in addition to an annual account statement.

P.1a(2) Organizational culture

A key feature of our culture is the common spirit we share with the University – the Aggie pride and commitment to service. Many employees are alumni of the University. These former students often cite commitment to TAMU as one of the reasons they chose to work at the Foundation.

The mission, vision, and core values set the context for our culture and they undergird all of our activities. These culture defining statements are shown in *Figure P.1B*.

Our culture is performance-oriented and focused strongly on relationships with our customers. Many donations are received after a DOD has spent considerable time (often measured in years) to establish a relationship with the potential donor through the methods shown in *Figure 3.1A*.

Employees work together to accomplish goals, be it hosting major donors at campus events or working to complete action plans, which we call Critical Success Factors (CSF). To enhance the performance-oriented culture and our team-based structure, our compensation program is incentive based to achievement of certain organization-wide goals (*Figure 5.1C*).

Mission – To multiply the impact of the Aggie Spirit through fundraising and asset management in support of academic excellence.

Vision – To enhance Texas A&M University's capability to be among the very best universities so that more Aggies can impact the world.

Core Values
The Texas A&M Foundation is its people, and these are the core values by which we succeed.

- *Philanthropy-Focus* – We believe in philanthropy as an enriching and empowering virtue.
- *Mission-Focus* – We believe that the world will be improved if more people are touched by Aggie values and intellect.
- *Integrity* – We are honest and straightforward, always trying to do the right thing and upholding the values of the Foundation in every action and decision.
- *Service and People* – We attract and recruit quality people to provide superb service. The men and women of the Texas A&M Foundation will always be our most important asset.
- *Leadership* – We are all leaders in our area of responsibility, with a deep commitment to deliver superior results.
- *Teamwork* – We work together to meet business objectives, improve our systems, and help others improve their effectiveness by leveraging diverse and complementary skills.
- *Relationship Building* – We create mutual respect and understanding with our colleagues, donors, volunteers, and the TAMU community by listening, trusting, and following through with our service commitment.
- *Performance Excellence* – We are determined to be the best by valuing continuous improvement, innovation, leadership, and accountability.

Figure P.1B – Mission, Vision, and Core Values

P.1a(3) Employee profile
Figure P.1C outlines our employee demographics. There are no organized bargaining units at the Foundation.

We outsource activities on a project-by-project basis such as advertising, freelance writing, and event catering. On a functional basis, the organization subcontracts payroll, some employee benefits management, some planned giving publications, grounds maintenance, building maintenance (electrical/HVAC/painting) and custodial service, and automobile and air travel.

Employee Base (83 full-time and 8 part-time)	
Executive Officers	5
DODs	30
Financial/Accounting	9
Marketing/Communications/Admin/Operations	7
Support staff	23
Researchers/IS staff	9
Part-time student workers	8
Education Levels	
Bachelor's (69% from TAMU)	81%
Graduate	18%
Doctoral	5%
Certifications (CPA, CFP, Bar, Realty, etc.)	12%
Other Demographics	
Male	41%
Female	59%
<5 year tenure	34
5.1 – 10 year tenure	19
10.1 – 25 year tenure	30
Average Age	46

Figure P.1C – Employee Demographics

Figure P.1D shows key employee health and safety requirements and their measures of performance.

P.1a(4) Technologies, equipment, facilities
Our major technologies are related to information management. We utilize several databases including a 300,000-donor database that includes donors' contact information, giving history, biographical information, and potential levels of giving. We also use an electronic document management system and have systems to support investments, accounting, human resources, website communications and intranet, and our trust activities. TAMU supports our technology needs with their campus Internet firewall, FAMIS (the University accounting system), University's Internet backbone, and the email system. Other key technologies and equipment include general office such as phone, fax, etc.

Our facilities are housed in Hagler Center, a 53,000 sq. ft. building owned by the Foundation and located on the TAMU campus. The Hagler Center is well appointed and designed to present a comfortable facility to host events for our donors and constituents. Most of our DODs are physically housed with the college or unit they represent. We also have two regional DODs and their support staff with office assignments in Dallas and Houston. There is also one DOD assigned to the Galveston TAMU campus.

Issue	Employees	Addressed through…	Measure	Target
Travel Safety (driving)	DODs	Driving safety and travel safety training	Accidents	0
Ergonomics	All	Awareness, ergonomic furniture/equipment	Incidents	0
Office Safety (falls, strains, etc)	All	Safety team, dept. training, procedures	Accidents	0
Building Security	All	Security, trained reception	Incidents	0
Emergency	All	Drills, procedures	Timed drills	1/yr

Figure P.1D – Employee Health, Safety and Security

P.1a(5) Regulatory environment

Operational regulatory and legal environment consists of federal, state, local, and topical requirements. Requirements of our legal and regulatory environment are in *Figure 1.2A* along with processes used to address them, measures of compliance, and targets for performance.

P.1b Organizational Relationships

P.1b(1) Structure and Governance

The Foundation governance is provided through a structure of internal controls and cascading levels of checks and balances. We are governed at the highest level by a seven-member Board of Trustees which sets policy and direction for the organization and oversees its operations. The Board meets quarterly and acts on items requiring board approval (e.g., compensation, complex gift issues, investment strategy, and audit reports). They occasionally have telephone conference calls to address interim issues.

The Foundation's president/CEO reports to the Board of Trustees and is responsible for management of day-to-day operations. Trustees select the president and also approve the executive officers proposed by the president. The executive staff reports to the president and each have specific responsibilities in the areas of fundraising, legal, and asset management. Each executive staff member is responsible for the operations of departments whose employees report day-to-day operational status to them.

The Foundation's president interacts closely with the TAMU president, attending staff meetings and sitting on several TAMU executive committees. These presidents co-chair the campus Development Strategy Group (DSG), which develops broad policy and strategy for fundraising across various fundraising organizations serving the University.

P.1b(2) Key customer, stakeholders

Figure P.1E shows our key customer groups, customer partners, and other stakeholders and their requirements of us.

P.1b(3) Suppliers and partners

Figure P.1F shows our most important types of suppliers and partners, supply chain requirements, the role these suppliers play in the value creation and support processes, and methods we use to communicate with them. Most of these key supplier groups play a significant role in innovation through provision of information that allows outside-the-box thinking, and, as in our relationship with TAMU, they provide ideas and opportunities to design creative solutions for balancing our donor desires with University needs.

Customers (Donors and Potential Donors)	Requirements
- Former Students of TAMU - Out of school >=25 years - More recent graduates	**All Donors/Potential Donors:** - Ethics - Acknowledgement of receipt of their gift - Investment performance - Communication about the status of gifts **Additional reqs for Corporations:** - Access to students, faculty, research - Organizing campus events **Additional reqs for Foundations:** Organizing campus events
- Backers (supporters, but not former students)	
- Corporations	
- Foundations	

Stakeholder (Customer Partner)	Requirements
TAMU—administration and colleges/departments (recipient of gifts)	- Achieve increasing fundraising goals - Accounting accuracy - Investment performance - Communication (corporate relations, advisory boards/councils) - Information (on potential donors)

Figure P.1E – Customer/Stakeholders and Requirements

We coordinate closely with University administrators to ensure the priorities of TAMU are integrated into our fundraising activities. The TAMU president participates in the largest gift solicitations and fundraising events by accompanying Foundation executives on donor visits. The relationship is outlined in the affiliation agreement, a legal document that specifies the services we provide to TAMU, and TAMU's obligations to the Foundation. The partnership indicates that we provide fundraising services and administration, such as the leading role in the "One Spirit One Vision" (OSOV) campaign, receipting for all university gifts, and university-wide stewardship. In turn, the Foundation receives benefits from TAMU such as support staff; office space and equipment for DODs; the ability to purchase supplies through the University; the use of University email, phone systems, and utilities.

Another key partnership exists between the Foundation, AFS, and 12th Man organizations, TAMU's fundraising triumvirate

Supplier/Partner	Key Supplier Relationships	Requirements of Them	Role They Play	Communication Approaches
Suppliers				
Investment Managers	- Wellington Management - Dodge & Cox - PIMCO (Various others)	- Generate good returns while controlling risks - Organization, process, and discipline in varying market conditions - Responsiveness - Relationship	Invest funds assigned to them consistent with the mandate given	- Contract for services - Phone/email - Monthly investment rpt - Website investment rpt - In-person visits
Consultants (e.g., Capital Campaigns, Branding, etc.)	- Marts & Lundy - TaitSubler (Marketing) - Cambridge Associates - Lexis-Nexis (Research)	- Knowledge base - Availability - Responsiveness	Support in competency areas for successful programs	- Contract for services - RFP - Meetings as needed - Phone/email
Software & hardware providers	- SunGard (Donor SW) - Kintera Fundware (SW) - Advantage Content (SW) - Microage (HW)	- Accuracy - Ease of use - Support - Knowledgeable	Tools to support fundraising and asset management activities	- Contract for services - RFP - Phone/email
Facilities, custodial, grounds	- TAMU Physical Plant - REC Industries - Britt Rice Electric	- Timely - Responsive	Add to the brand of the Foundation	- Contract for services - Discussions through contact person
DOD facility space and assistance	- TAMU Colleges	- Responsiveness - Relationship - Timely services	Provide support to the fundraising process	- Letter of agreement - Direct daily contact - Phone/email
Stakeholder (Customer Partner)				
TAMU (recipient University)	- TAMU administration, deans and department heads	- Open communications - Availability to support efforts	Recipient of services; gives understanding of priorities	- Affiliation agreement - Meetings/phone/email - Other dept. contacts
Partners				
Fundraising partners	- AFS and 12th Man	- Open communications - Cooperation - Timely, accurate info	Align gifts from donors with University priorities	- DSG meetings - Phone/email/in person - Weekly DOD meetings

Figure P.1F – Key Supplier Types with Requirements and Communications

described in P.2a(1). The Foundation and AFS share contact information and giving information of former students and donors. AFS updates the database information as received from former students and based on NCOA and obituaries.

P.1b(4) Supplier and customer partnering relationships

Figure P.1F outlines key supplier and customer partner relationships, requirements, and communication methods. Our president attends the TAMU president's staff meetings. The presidents co-chair the DSG and the TAMU president is an ex officio member of the Foundation Board. There is frequent contact between the Foundation marketing director and the TAMU Chief Marketing Officer (CMO) and communications between DODs and deans is continuous based on their co-location and attendance at many of the same meetings.

P.2 Organizational Challenges

We and TAMU exist in a changing funding and regulatory environment that causes us to reevaluate our approaches on a regular basis. Through careful monitoring of the environment and our donor base, we are able to remain proactive in managing our operations to provide the best service to our stakeholders.

P.2a Competitive Environment

P.2a(1) Competitive position

The Foundation's competitive environment for fundraising includes both internal and external competitors. Internal competitors include the AFS and 12th Man organizations, which are also responsible for raising funds in support of TAMU. All three are independent 501(c)3 organizations. AFS is the alumni organization for TAMU that raises the unrestricted annual fund. It also is the first main contact that many donors have with the University after they graduate. The 12th Man solicits major gifts for athletics and sells priority seating for home football games. Many former students view all three organizations as conduits to support the University. In terms of dollars raised, the Foundation far exceeds the other two since it primarily focuses on major gifts of more than $25,000. In FY 2006 (ended 6/06), the Foundation raised about $91M, the largest amount raised by the organization to date. Awareness of the Foundation, however, lags the other two groups. Former students gain awareness of the AFS when they order their highly-prized Aggie ring and they must join the 12th Man association to get football tickets.

External competitors are other institutions and organizations that enlist charitable contributions from our donors, backers, corporations, and foundations. When all entities competing for charitable dollars are considered, the Foundation is moderately-sized. It is much larger than many local nonprofits, but is dwarfed by mega-charities like the American Red Cross. In 2005, TAMU ranked 1st among university-based fundraising peers in endowment performance for the prior five years.

P.2a(2) Principal factors of competitive success
The factors that primarily determine whether we are successful relative to competitors are identified in *Figure P.2A* along with the Strategic Challenges that may cause risk to those areas and the Organizational Objectives designed to address them. These are also shown in *Figure 2.2A* as part of the strategy matrix showing further linkage to actions, stakeholders, and measures.

Changes that affect our competitive situation are related to our environment. Even while our traditional base of donors is changing demographically, the funding needs of TAMU are increasing. As state funding of higher education decreases as a percent of the total budget, TAMU is increasingly looking to private funding. TAMU now anticipates it will need more private funds to build new facilities as the traditional source, the Permanent University Fund (PUF), is inadequate.

Competitive Success Factor	Strategic Challenge	Organizational Objective
Supporting the vision of the University	University relationship enhancement	Improve open communications and all relationships
Quality of the staff	Finding/keeping qualified staff	Hire, train, retrain the best and brightest
Building donor relationships	Changing donor base	Connect with changing donor base
Asset growth	Maintaining intergenerational equity	Enhance investment returns and distributions
Being efficient and effective	Resource constraints	- Financial stewardship - Match growth needs with resource bases

Figure P.2A – Strategic Challenges and Objectives

P.2a(3) Comparative and competitive data
Figure P.2B outlines key types of comparative data selected and used by the Foundation and the area where it is used.

Many of our benchmarks are not direct competitors but are similar Institutionally Related Foundations (IRFs). We comprehend differences in the data such as the type of donor base and key factors such as our smaller staff size, which means less of each donor dollar is spent on overhead.

P.2b Strategic Challenges
We face several key strategic challenges, external and internal. These challenges are shown in *Figure P.2A* and *Figure 2.2A* as they relate to organizational strategic directions.

Comparative information	Used for…
IRFs through trade organizations and publications (CASE IRF, UFFO, EDF)	Fundraising Asset mgmt
University managed development (CASE, EDF, NAADA, industry consultants)	Fundraising
Russell 3000/Lehman Bros. aggregate and Blended benchmark	Asset management
Cambridge Associates	Peer performance
TAMUS investments and PUF	Financial perform.
Large endowment and fund performance	Asset management
American Council on Gift Annuities	Rates of return
IRF, industry TAMU, SHRM and Kaiser Family Foundation salary and benefit	Total comp analysis
Various executive compensation comparisons	Compensation compliance analysis
Safety consultants	Safety analysis

Figure P.2B – Comparative Information Sources

P.2c Performance Improvement System
The Foundation regularly reviews organizational systems for improvement opportunity. At the highest level, our strategic planning approach reviews performance and directions. From this review, we identify improvement opportunities and set plans in place to address them [2.2a(1)]. Since its creation in 1994, the Foundation's Quality Council (QC) provides monthly organizational level review to identify and address improvements and/or problems with organization processes. Another approach to evaluation and improvement of our systems is through the self-assessment to the TAPE criteria. Prior assessments allowed us to target improvements related to market segmentation and the use of data in decision-making.

We systematically review policies and procedures annually and each department or area leader reviews them beginning in April. Another source of analysis of practices is our annual survey of donors to understand their stewardship preferences. The survey is dynamic, adjusting content annually to address new stewardship questions.

At the operational level, weekly executive staff meetings allow various managers to discuss issues and encourage cross-functional interaction and problem solving.

Once opportunities for improvement are identified through these various methods, performance improvement is addressed through action plans, our CSFs. Annually, CSFs are proposed at the supervisor level to support organizational direction. CSFs are specific, measurable, and often cross-functional tasks that must be accomplished within the year. Lead Teams [5.1a(1)] may also be formed to complete focused improvement opportunities at various levels.

To provide a focus on organization learning, training is emphasized and budgeted each year. This can be internal training such as supervisory or DOD assistant training or external training such as industry meetings/training programs. Training programs and approaches are described in Item 5.2.

1.1 Senior Leadership

The senior leaders of TAMUF are committed to excellence in everything we do, from providing the highest level of services at the least possible cost to maintaining and enhancing donor and University relations. The leaders continually emphasize hard work, honesty, and integrity to staff on an ongoing basis through their All Staff Meetings, employee training sessions, their emphasis on policies and procedures, and various committee meetings throughout the year.

1.1a Vision and Values

1.1a(1) Senior leaders set direction

Senior leaders set organizational direction through the strategic planning process shown in *Figure 2.1A*. The Foundation's mission, vision, and core values are established within the context of the organization's major customer base; the philanthropic donors and our primary stakeholder, TAMU. Our leaders generate the vision by gathering input from the TAMU president, provost, college deans, department heads and faculty, as well as feedback from donors. Then, in concert with the Board of Trustees, they integrate this input into the development of priorities and directions that provide long-term guidance to the Foundation's activities. The strategic planning process allows Foundation leaders to listen to external inputs through peer organizations, associations, and our corporate friends and alumni to determine what we should be doing to better respond to the philanthropic environment.

Method *(W=Weekly, M=Monthly, Q=Quarterly)*	**Stakeholder**	**Frequency - * is 2-way**
High standards of behavior, attitude, performance set thru job descriptions, employee handbook, etc.	Staff	Ongoing
All-staff meetings	Staff	Quarterly *
Policies and procedures for work standards	Staff	Ongoing
Supervisor Group meetings set and review progress to CSFs	Staff	Monthly *
Annual Plan defines measures and expectations for performance	Staff, BOT, TAMU	Quarterly
Formal and informal meetings through the intranet and in person to share info and set direction	Staff, Deans	Ongoing, (W, M, Q) *
Lead Teams (process improvements and redesign)	Staff	As needed *
Top level leadership coordination meetings (president, provost, deans, key faculty)	Staff, TAMU	Regular (M, Q, A) *
DSG meetings (coordination meetings between fund raising groups) [described in more detail in 2.1b(2)]	Foundation, AFS, 12th Man, TAMU	Monthly *
Workshop to update TAMU on values, policies and procedures	TAMU financial and admin staff	Annual *
TAMU/Foundation meetings to share ideas, implement plans and set directions	TAMU	Ongoing *
Organizational intranet and website	TAMU, ext. customers and suppliers	Ongoing *
One-on-one contact with DODs expressing vision and values of the Foundation	Donors	Ongoing *
Annual Report including directions and expectations	All stakeholders	Annual
Foundation *Spirit* Newsletter information for Donors	Donors and prospects	Semi Annually
Survey and Focus Group	Donors	Annual *
Stewardship Events (e.g., Legacy Society for top donors, Endowed Scholarship, EOA and Corps Scholarship)	Donors, TAMU	Ongoing at varying frequency *
Personal Visits	All stakeholders	Ongoing *

Figure 1.1A – Leader Communication Methods for Vision and Values

Our values [P.1a(2)] were initially embedded in the creation of the organization through the vision and long-term thinking of a small group of committed alumni. The value system has been refined by the Foundation leadership through review and evaluation by the Quality Council (QC), Supervisors Group, and other committee sources such as ESM and SIC, and subsequent review with all employees.

The Foundation's senior leaders deploy the organization's vision and values to all stakeholders through the approaches shown in *Figure 1.1A*. Organizational values and vision are further deployed through the methods described in 2.2b for strategic direction.

1.1a(2) Leaders foster legal and ethical behavior

The executive leadership of the Foundation collectively has 115 years of experience both in higher education and with the Foundation. Their collective management style is primarily accomplished through a willingness to work together, to provide responsive actions to problems for employees, and by creating a positive work environment with a high regard for standards involving safety, fairness, equal treatment, and high capacity for quality work. Senior leaders are involved in multiple community activities with charities, community leadership, economic development, as well as numerous special campus activities.

Because of this background, senior leaders demonstrate high levels of ethical behavior and expect the same of employees. This behavior is defined in various corporate policies, which require employees to agree to a reference check prior to employment to ensure there are no legal or ethical issues. Employees are required to file a monthly expense report that is reviewed and approved at a supervisory level. There are also financial policies that clearly define levels of authority and responsibility. Procedures for governance and accountability are described in 1.2a(1). This includes a compensation committee for oversight, external audits, communications, and non-profit status compliance. Policies clearly outline ramifications of illegal or unethical behavior.

1.1a(3) Senior leaders create a sustainable organization
Our senior leaders create a sustainable organization through a variety of means. This includes employment practices to ensure we 1) employ the best people, 2) have a stable work environment, 3) provide ongoing feedback approaches, 4) have methods for performance improvement, 5) have processes to focus energy on accomplishment of directions, and 6) have methods to foster innovation and agility. In addition to these sustaining activities, senior leaders create an environment that fosters sustainability through ongoing learning and succession planning.

Employment practices - We use a team-based interview approach to assure that new employees fit our culture. We also interview exiting employees to get feedback to improve the organization in a non-threatening setting - anonymously if necessary. We have a robust orientation [5.2a(2)] and employee training program to provide new employees with the opportunity to better understand the direction of the Foundation and its programs. When job vacancies occur, the first option for seeking replacements is through current employees to promote advancement within the organization. Twenty-two positions have been filled from within the Foundation during the past 5 years (see *Figure 7.4G*).

Work environment - Ten years ago, the Foundation took the major step of raising the funds, designing, and building an establishment that would house the Foundation's central employees. This new home, the Hagler Center, was completed and opened in September 1999. It principally provides a symbolic home for philanthropy, but more importantly, it provides an outstanding work environment where employees are both attracted and motivated to remain employed and where donors feel comfortable. Despite our small size, we work to ensure that employees have outstanding benefits as compared to peer groups.

Communication - To be sustainable, we encourage communication at all levels. The Foundation's leaders seek feedback through various mechanisms of one- and two-way communication as described in *Figure 1.1A*.

Performance improvement - One important method of driving operational improvement is through the activities of the QC. This council has sponsored more than 40 Lead Teams (process improvement teams) involving over 50 employees to enhance value and improve work processes. Examples of Lead Team projects include improving gift processing procedures, enhancing cash disbursement procedures, and strengthening stewardship events. Most employees are included in performance improvement through CSF's that are linked to our annual plan [2.2a(1)].

Focus on accomplishing directions - The strategic planning process in *Figure 2.1A* generates an annual plan, which is quantitatively measured through the incentive compensation program and includes CSFs as described in 2.2a(1) to deploy direction and focus the organization on accomplishing the mission. Performance to the plan is tracked by several means including the Supervisors Group and the executive team. The performance of the CSF's is reviewed monthly. This drives the activity and behavior of the entire organization toward common goals. Through constant application and repetitive implementation of this annual plan to achieve stretch goals, the organization is continually identifying ways to improve.

Financial and contingency planning - The approaches used to plan for financial sustainability and business continuity are described in 6.2b(1&2). Leadership established these as resource sustaining activities.

Foster innovation and organizational agility - A driving force for innovation is our fundamental commitment to teaming. This approach is employed within individual functions, Foundation wide, and with external stakeholders (AFS, TAMU, and 12th Man). The basic premise is to create value from the innovative ideas that emerge from team-based analysis and strategy. A recent example is the creation of a real estate strategy team to develop market strategies and improve our presentation to prospective real estate donors.

Organizational agility is fostered through a significant commitment to cross training and coordination of market contact. For example, DODs brief one another (at least annually) on organizational design, flagship programs, and development priorities and strategies. This provides important benchmarking, promotes new ideas, and enables DODs to respond to questions from donors about other units. A second strategy to support agility is associated with organizational design. A number of units have a Senior Director of Development and one or more DODs. These DODs are trained by the SDOD and become an important source of talent for filling experienced openings that occur in our development ranks. There is huge value added in this approach as a TAMUF-trained DOD can become productive almost immediately in a new unit assignment. Agility in the marketplace is also fostered through weekly DOD staff meetings, frequent phone and e-mail conversations among DODs, and an online database where DODs record significant donor contacts. These communications are key to agility, keeping everyone on the same page with respect to how and when donors are being approached for gifts.

Organizational and employee learning - We have a formal employee training program developed by HR in conjunction with the development, finance, and administrative departments to ensure all employees are included and receive adequate, ongoing training. Our external training programs include attendance at a variety of conferences and seminars through peer organizations such as AGB and CASE. Internal training programs include weekly training for development officers, monthly Supervisor Group training sessions, periodic planned giving seminars for staff, orientation for new employees, and training review as part of employees' annual performance evaluation. Training costs are a formal part of our budget. Foundation management plays a leadership role in many of the in-house training sessions. To continue focus on organizational learning, the executive leadership team has led the charge in the development of self-assessments to the TAPE criteria by serving as category team leaders and providing time for meetings to develop the assessment.

Employees are encouraged to continue their development and are provided multiple opportunities to be engaged in employee learning as identified in 5.2a. In addition to ongoing formal training, pervasive meetings provide the opportunity to continue staff development in a method that provides point-of-use information. For example, the All Staff quarterly meeting, supervisors meeting, development officers weekly meeting, executive staff weekly meeting, QC, trust company meetings, staff investment committee, and staff real estate committee (*Figure 4.1B*) are used to enhance the training, interaction, and exposure of Foundation employees on a continuing basis.

Succession Planning - Leaders participate in succession planning [5.1c(3)] by actively mentoring staff within their departments to fill in for them when they are not available. These same leaders also ensure they are able to "stand in" for each other as needed to ensure continuity of operations.

Leadership participates in developing organizational leaders through their involvement in annual employee performance reviews. They discuss the employee's potential for growth in the organization and assist in developing training and experiences for growth. There are one-on-one meetings between peers, subordinates, and supervisors and feedback is provided on performance, ideas, direction, and growth.

1.1b Communication and Organizational Performance

1.1b(1) Senior leaders communicate and empower

Senior leaders communicate information about our vision and values with employees through the multiple methods shown in *Figure 1.1A*. Senior leaders foster open and honest communications through these and other communication approaches (one- and two-way) such as:

- New employee interviews and exit interviews
- Open door communications
- Various meetings such as the QC and Supervisor Group
- Day-to-day interaction with leadership
- Performance reviews with supervisor
- Surveys and focus groups

Leaders empower employees through CSFs described in 2.2a(1) and through the activities shown in *Figure 5.1B* in the "E" (empowerment) column. This commitment to empowerment drives responsibility for accomplishment of specific goals to the individual employee level. Employees are also empowered through job descriptions that define their scope of activity and being given significant assignments to perform in a no-fault environment that is oriented towards taking risks and being entrepreneurial, and mistakes are opportunities for learning and improvement. The broad use of teams (e.g., Lead Teams and internal committees) throughout the organization also contributes to employee empowerment.

Leaders motivate employees through many of the approaches shown in *Figure 5.1B*. One key approach is our incentive compensation system, which is linked to accomplishment of four key goals (*Figure 5.1C*). Leaders created the CSF goal to motivate employees to be involved in the organization in a very real way. CSFs are qualitative criteria of the incentive compensation program.

Leaders encourage frank, two-way communication through building communication approaches such as those shown in *Figure 1.1A* and described in 1.1b(1). They have created an environment that encourages these open communications with the understanding that it promotes high performance. The building design of the Hagler Center, the home of the Foundation, was intentionally created to facilitate open communication between and among departments.

The senior leadership reinforces performance and provides reward and recognition to employees on many levels (*Figure 5.1D*), as outlined in our award policy. Our leadership plays an important role in the formal recognition process by attendance at receptions honoring those being recognized, personal words of thanks, presenting key awards, and regularly offering sincere recognition to employees. The Trustee's award in particular is an award by senior leadership designed to recognize outstanding achievements by Foundation personnel in applying creative concepts for improving performance, advancing fund raising efforts, and promoting a better understanding of our university-wide major gift fund raising activities and asset management services. Senior management and the Board of Trustees are involved in this recognition and award process.

1.1b(2) Senior leaders create a focus on action
Senior leaders create a focus on action to accomplish organizational objectives and attain the vision through the strategic plan deployment approach described in 2.2a(1). Through this activity, individuals and departments develop a set of CSFs and performance plans to accomplish the organization's annual plan. These CSFs are assigned to appropriate employees or groups throughout the organization. Regular review of these CSFs by the Supervisor Group provides ongoing focus on the importance of these tasks.

Senior leaders use the QC meetings to charter Lead Teams to improve performance when needed. A focus on creating and balancing value for customers and stakeholders is accomplished by aligning all departments to the goals of the annual plan relative to the Foundation and the University and achieving organizational needs through the CSFs.

1.2 Governance and Social Responsibility

Accountability, honesty, and integrity are the watchwords of our business. Board of Trustees, senior management, and supervisors follow a comprehensive set of policies and procedures to accomplish these objectives. All employees have a high degree of loyalty to the Foundation and our service to the University. Our mission, values, and vision play a major role in our development process. These values and work style are stressed over and over again through our staff meetings, training sessions, and employee evaluation process.

1.2a Organizational Governance

1.2a(1) Addresses factors of governance

Accountability for management's actions - For ongoing operational management, accountability is built into the management system at all levels through the series of reviews shown in *Figure 4.1B*. Each year, at the May meeting of the Board of Trustees, a report is provided by senior management reflecting our current year's performance relative to the annual plan approved the prior year. This includes financial performance, results of the incentive compensation program, and specific actions for improving operations. Following discussion of the performance, a new annual plan is proposed, reviewed, and approved by the Board of Trustees.

Fiscal accountability - Fiscal accountability is enforced initially by an annual operating budget that is used by management to monitor financial activities on a monthly basis, and review with the Board of Trustees each quarter. The quarterly financial report and investment report are also shared with the Board of Trustees to demonstrate the growth of the endowment and financial condition of the Foundation. The Foundation also maintains a contract with TAMU describing the relationship between the Foundation and TAMU. The contract is amended annually to reflect the Foundation's performance as it relates to the University and the level of support to be provided to TAMU.

Transparency in operations - The Foundation ensures its major activities are transparent to its stakeholders and donors. The Foundation is recognized as a tax exempt organization under section 501(c)(3) of the Internal Revenue Code, which makes donations to the Foundation tax deductible. The foundation adheres to the IRS code, which is designed to provide transparency to stakeholders in order to maintain its tax exempt status and its integrity in the nonprofit sector. As required by law, the IRS form 990, *Return of Organization Exempt from Income Tax,* is prepared by a local accounting firm, filed, and is available for public viewing. This information is also reported on many watchdog or donor informant groups' websites.

Management provides an annual briefing to TAMU of its principle business activities including policy changes and new control procedures. We ensure there are no conflicts of interest or problems with accounting services provided by TAMU. Newsletters, semi-annual finance reports, and management representation letters prepared for our annual external audit all provide methods to ensure transparency in operations to each stakeholder group. We have a policy to adhere to the principles of the Sarbanes-Oxley legislation covering corporate governance and behavior. We also provide access to policies and procedures to individuals inside the organization and inside and outside TAMU.

Selection and disclosure policies - The highest level of governance of the organization is established through our seven-member Board of Trustees described in P.1b(1). These members serve a term of seven years with one trustee rolling off/on every year. The trustees are chosen based on a short list of nominations provided by the Foundation to the AFS Board, the body that actually makes the appointments. Each trustee and member of the executive staff must complete a conflict of interest questionnaire each year. They are responsible for monitoring their situation and reporting any conflicts or potential conflicts on a timely basis.

Independence in internal and external audits - An annual external audit is conducted by PWC, one of the Big Four accounting firms. Each year, the TC is examined by the Texas State Department of Banking. These examinations include routine reviews of internal policies, procedures, and controls that provide us with an ongoing source of review for internal performance (similar to internal audits). As necessary, we also use outside consulting services to provide support. Most recently, we enlisted the services of Sirius Solutions, a consulting firm from Houston, Texas to conduct a broad based internal control review. The external audits together with a review of internal controls are conducted to ensure that operations are efficient, legal, and ethical.

Protection of stakeholder interests - The interests of stakeholders and our major customers are protected by the formulation of fundamental policies and procedures, external audits, performance reviews, the annual review of the Foundation, communication through contact with TAMU, and the regulatory filing and reporting necessary under the charitable non-profit corporation status. Board of Trustees oversight provides independent assessment of audit, finance, and investment activities.

The Foundation compensation committee of the Board of Trustees regularly reviews compensation levels to ensure not only competitive levels and appropriateness in the market place, but also to ensure that our employees are not exceeding the limitations described in the intermediate sanction regulations of the IRS.

Employees are informed through policies and staff meetings that they are not only authorized but encouraged to reveal acts of malfeasance or fraud through a whistle blower policy that will ensure them anonymity. This policy is monitored on an ongoing basis and results are reported to the Board of Trustees each quarter.

1.2a(2) Evaluate senior leader performance

The performance of senior leaders is reviewed annually by the Board of Trustees. This takes place at the May meeting when the Foundation reviews its performance against its annual plan. Thus, the Foundation's overall performance relates to the collective performance of staff as well as organizational results. The executive team participates in the same annual employee evaluation process as the rest of staff.

Our president meets privately with the Board of Trustees to discuss the performance of the executive leadership. The Board evaluates, discusses, and provides feedback on the performance of our president. In addition, the Board of Trustees obtains significant feedback from donors, the University leadership, and other sources such as AFS and 12th Man Foundation as to the performance of the leaders of the organization. They have access to and are frequently provided ongoing informal feedback on the performance of our leadership.

Since the Board of Trustees is small, they perform an open self-assessment of their performance as a committee through discussion of their various responsibilities and leadership activities. We have several policies that require certain conduct on their part by which they evaluate their performance. Board members will also review a wide variety of Foundation activities including our quarterly financial and investment results, annual audit results, annual Form 990, and such special reports as the TAPE Assessment and the Sirius Solutions Internal Control Report in order to identify areas that they can improve and in which the organization and Foundation leadership can improve.

Leadership and the Board of Trustees improve their performance and the performance of the leadership system through personal development obtained by attendance at professional leadership and development events. The Foundation is a member of CASE, the national organization supporting higher education causes and the AGB, which is a nonprofit organization seeking to improve governance in higher education and higher education foundations. On an annual basis, the president and typically the Chair of the Board of Trustees or Investment Committee attend the Foundation's meeting of AGB. Senior leaders also attend other significant peer events such as the UFFO, the IRF/CASE, and the Big XII Development Conferences. Board members are encouraged to attend conferences and seminars suited to their particular responsibilities such as AGB and CASE.

1.2b Legal and Ethical Behavior

1.2b(1) Social impacts and public concerns

Key regulatory and social impacts of TAMUF are described in *Figure 1.2A* along with the regulatory body that provides oversight, the processes used to manage the risk, the measure of compliance, and the target for that measure.

While not regulatory, one area of service that impacts the TAMU philanthropic community is to ensure that prospects or other donors are not bombarded with multiple requests for contributions to TAMU. To this end, we operate an internal prospect coordination policy to ensure individuals are not asked for multiple donations from multiple individuals within the organization. This allows us to maintain relationships with our donors that are positive and does not negatively impact them. There is a concerted effort made to match University priorities with donor interest. This same concept is systematically applied on an institutional level with the DSG.

We constantly monitor the open press and information from professional organizations to which we belong as well as donors and other client feedback and support from TAMU to determine concerns about the direction of our activities in the philanthropic arena and changing regulatory and legal requirements. As issues are identified, compliance to them are included in the associated processes and modifications are made to employee training as required.

1.2b(2) Promote and ensure ethical behavior

The Foundation accepts the responsibility to promote and ensure ethical behavior as a very high priority. It begins with inclusion of ethics and integrity into the very heart of our value system through the mission and core values. To support this, our orientation program for new employees provides a briefing by senior leadership, the HR professional, and others as to the expectations for ethical behavior in all of their activities. This is reinforced quarterly at all staff meetings and the language of the Foundation as it relates to philanthropy with donors.

Regulatory Issue	Regulatory Body	Process to Manage	Measure	Target
Non-profit Status	Secretary of State IRS	Accounting/ Legal	In/Out of compliance	100%
Out-of-state Solicitation Registration	Each State's Authority	Legal	Qualification	100%
Texas Trust Requirements	Texas State Dept of Banking, IRS	Accounting/ Legal	- Compliance with state regulations - Comments on bank examination	High Rating
Accounting Rules	FASB, IRS, AICPA, UMIFA	GAAP and Tax Reporting	Compliance with industry and federal regulations	Zero material findings
Professional and Ethical Behavior	AG, CASE, NCPG, AFP, PPA and SOX	Governance, Accounting, Legal, Fund Raising	- Grounded litigation - Audit findings - Corporate malfeasance reports - Customer complaint	Zero material deficiencies
Employment Laws	Federal Agencies (EEO, ADA, DOL)	Human Resources	Number violations	0
Employee Safety	TWC, OSHA, WC	Safety System	Number claims	0
Local Codes (building, etc.)	Local Agencies, University	Fire Insp., Drills, Tests	Infractions	0

Figure 1.2A – Legal and Regulatory Issues

Policies and processes are also used to promote and ensure ethical behavior. The Corporate Compliance Guidelines for Trustees, Officers, and Employees of the Texas A&M Foundation outlines expectations for ethical conduct and behavior. We have a gift acceptance policy to ensure that we are satisfying donor intentions and that our tests for ethical behavior are consistent with our core value of integrity. In addition, the Foundation has a corporate malfeasance policy to allow employees to provide feedback on any action they deem to be inappropriate or unethical. This information is reviewed quarterly by the Audit Committee of the Board of Trustees. The Foundation has a conflict of interest policy that applies to the Board of Trustees and the senior leadership of the organization. Our Compliance Officer is responsible to ensure employees remain aware of the policy and adhere to it. This includes training in employee orientation and ongoing reinforcement in department meetings. The Compliance Officer tracks reported policy violations. We track corporate malfeasance violations as a key measure of ethical compliance.

1.2c Support of Key Communities

Our key communities are identified by leadership through discussions and consensus. These key communities include TAMU; our broader donor community at the state, national, and international level; professional peers in the form of professional organizations and other foundations; and the local community where TAMU and the Foundation are located.

We actively support and strengthen our stakeholder partner, TAMU, through ongoing relationship building at every functional level. The Foundation development staff is engaged at every level of the university by interacting with deans, department heads, faculty, staff, and students. The Foundation is also invited to participate in institutional development activities such as the Vision 2020 project.

We actively support and strengthen the community of our donors through participation of our development officers who visit Aggie hometown clubs on a regular basis to get to know the donors better in a local setting. This also provides an opportunity to identify new donors and their interests.

In addition, the Foundation's leadership participates with peer organizations such as the CASE/IRF, AGB, UFFO, CASE, and the Big XII development conference. The president has served in various committee capacities with AGB; the Sr. Vice President for Development has served at many CASE conferences and other development related conferences; and the Sr. Vice President for Admin and Operations is currently the Chair of the National Committee for Institutional Related Foundations. This Foundation has hosted the Big XII Conference and the UFFO group.

Members of the Foundation also interact with the local community to promote knowledge of the Foundation and engender goodwill and a cooperative spirit. We strengthen relationships in these key communities in several ways. Participation in charitable groups such as United Way provides the opportunity for employees to participate in contributing to the community. Each year we sponsor a Christmas charity such as a food drive and sponsor a blood drive. The Foundation also provides a charitable matching fund program with a one-for-one match for certain contributions.

2: Strategic Planning

2.1 Strategy Development

Strategic planning is fundamental to success at the Foundation. Senior leadership recognizes the value of strategic planning, which encourages high performance throughout the organization. Leadership uses the strategic planning process to engage the entire organization and provides regular feedback on results and progress.

2.1a Strategy Development Process

2.1a(1) Strategic planning process

As *Figure 2.1A* depicts, we conduct strategic planning in alignment with the organization we serve, TAMU. This strategic planning model has evolved over many years to keep us linked to the donors and the University.

We began in 1994 with an offsite strategic planning meeting between the Foundation, the Board of Trustees (BOT), and the executive staff. That first meeting resulted in a set of directions and action plans that were used to guide our internal operations. The executive staff and BOT continue to conduct similar off-campus strategic planning activities, with the most recent strategic planning meeting occurring in the summer of 2005. These strategic planning activities complete the development (or update) of our "Campaigns" that drive our operations and comprehend the needed operational factors of The Foundation (see *Figure 2.1A*). Campaigns then become detailed Foundation plans for action for multiple years to enable TAMU to accomplish their strategy.

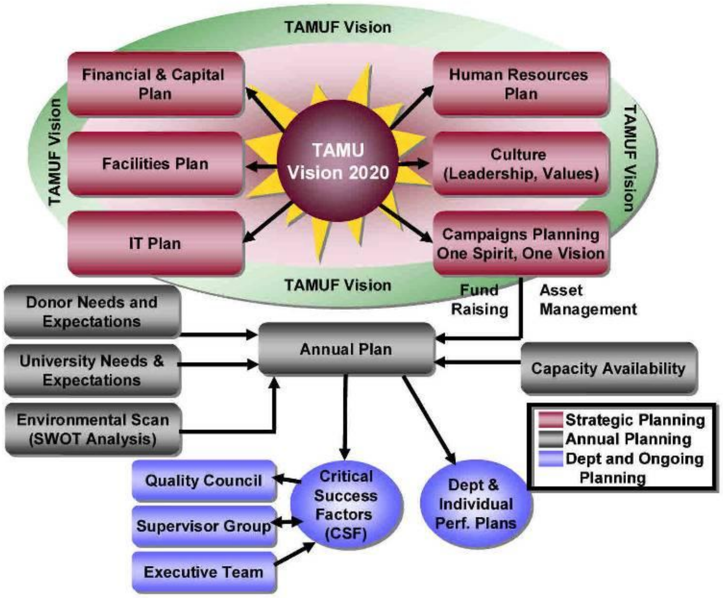

TAMUF Vision
TAMUF Vision
TAMUF Vision
TAMUF Vision
Financial & Capital Plan
Facilities Plan
IT Plan
TAMU Vision 2020
Human Resources Plan
Culture (Leadership, Values)
Campaigns Planning One Spirit, One Vision
Fund Raising
Asset Management
Donor Needs and Expectations
University Needs & Expectations
Environmental Scan (SWOT Analysis)
Annual Plan
Capacity Availability
Quality Council
Supervisor Group
Executive Team
Critical Success Factors (CSF)
Dept & Individual Perf. Plans
Strategic Planning
Annual Planning
Dept and Ongoing Planning

Figure 2.1A – Strategic and Annual Planning Process

Our first comprehensive capital campaign was stimulated by the University's planning study initiated in the early 1980s. The study, called "Target 2000", drove TAMU's direction and drove our campaign, "Capturing the Spirit", which successfully raised $637 million to benefit students, faculty, and academic programs at TAMU. In the late 1990s, after completion of the campaign and at the urging of our leadership, TAMU began another study entitled "Vision 2020", the results of which are summarized in *Figure 2.1B – Vision 2020- "Creating a Culture of Excellence"*.

Vision 2020 - "Creating a Culture of Excellence"

- Elevate Our Faculty and Their Teaching, Research and Scholarship
- Strengthen Our Graduate Programs
- Enhance the Undergraduate Academic Experience
- Build the Letters, Arts and Sciences Core
- Build on the Tradition of Professional Education
- Diversify and Globalize the A&M Community
- Increase Access to Intellectual Resources
- Enrich Our Campus
- Build community and Metropolitan connections
- Demand Enlightened Governance and Leadership
- Attain Resource Parity with the Best Public Universities
- Meet our Commitment to Texas

Figure 2.1B – Vision 2020

The Vision 2020 process was led for 18 months by the then-president of TAMU and a task force of 250 individuals who studied benchmark institutions. About half the participants were internal to TAMU such as faculty, staff, and students; the other half were external to the University such as volunteers, donors, and civic leaders. Vision 2020 is a long-range vision for TAMU that arrives at 12 imperatives to create a culture of excellence and propel TAMU into a leadership position in public higher education within the next two decades.

During subsequent planning activities, the current president of TAMU narrowed his focus to four of the original imperatives and added an additional one to allow accomplishment of the vision. These are:

- Elevate the faculty (Imperative 1)
- Improve graduate and undergraduate programs (Imperatives 2 and 3)
- Diversity & globalization (Imperative 6)
- Improve space (Imperative 13)

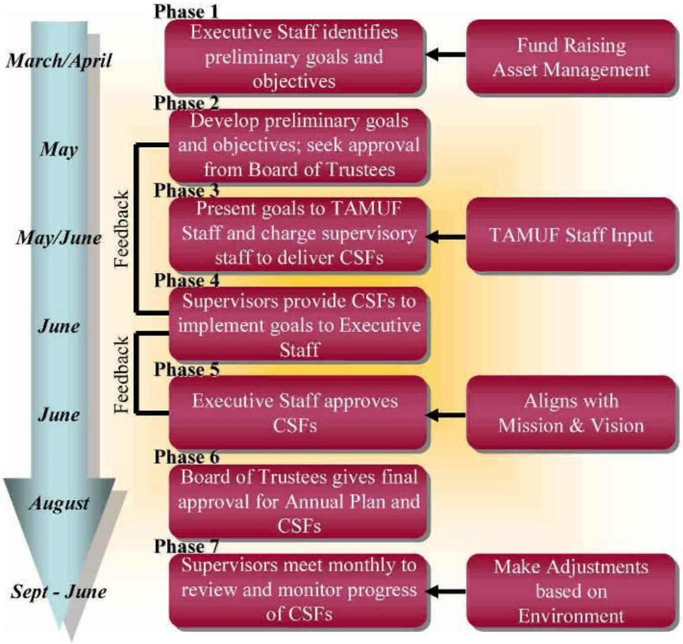
Faculty	Students	Colleges and Unit Programs
Ensuring the Preeminence of our Faculty *Faculty Chairs*	**Competing for Top Students** *President's Endowed Scholarships* *Honors College* *Graduate Fellowships*	**Advancing Traditional Strengths** *Colleges of Agriculture, Engineering, Veterinary Medicine, Mays Business School*
Elevating Upcoming Leaders *Professorships*	**Increasing Diversity** *Foundation Excellence Awards*	**Advancing New Leaders** *Colleges of Architecture, Geosciences, Education & Human Development*
Enhancing the Learning Environment *Support for Facilities and Research*	**Expanding Leadership Opportunities** *Corps of Cadets* *Student Leadership Center*	**Building the Letters, Arts & Sciences** *Colleges of Liberal Arts (including Glasscock Center for Humanities Research), Science, Bush Center*

Figure 2.1C – Framework of OSOV Campaign Essential Goals

Vision 2020 created a template for TAMUF's own strategic plan for the next comprehensive university-wide fundraising campaign. After Vision 2020 plan was completed and published, a smaller group of University and Foundation leaders initiated the longer-term planning for implementation of the strategic recommendations. When campaign planning occurs, a comprehensive planning committee is engaged in assessing plans and objectives. The outcome was the current "One Spirit One Vision" (OSOV) capital campaign. This name reflects the Foundation's unified commitment to Texas A&M's rich heritage and bright future. Within the context of this campaign, plans were made to enable us to support these broad efforts, including resources and facilities (*Figure 2.1A*).

OSOV set out numerous strategic objectives related to the dollars to be raised and a description of the major priorities and categories of philanthropic support to make the campaign a success. Vision 2020 calls for two major campaigns that will quadruple TAMU's private endowment from $700 million to $3 billion by 2020. The OSOV campaign began in January 2000, and is scheduled to be completed in December 2006. *Figure 2.1C* shows the framework of goals that forms the basis of this campaign.

The seven-year period for a campaign provides the Foundation with long-term direction while creating a framework for our annual planning cycle (*Figure 2.1A*) during which, annual goals and objectives are set for the organization and for individual employees to accomplish the seven-year goals. The annual operational plan is derived through a process of evaluating the primary goals and objectives of the organization and the establishment of quantitative and qualitative objectives to be met in order to drive key performance areas. The operational planning process is shown in *Figure 2.1D*. (*Note: The term "Critical Success Factors" in this figure describes action plans that are deployed to every employee*).



Phase 1
Executive Staff identifies preliminary goals and objectives
Fund Raising Asset Management
March/April
Phase 2
Develop preliminary goals and objectives; seek approval from Board of Trustees
May
Phase 3
Present goals to TAMUF Staff and charge supervisory staff to deliver CSFs
TAMUF Staff Input
May/June
Feedback
Phase 4
Supervisors provide CSFs to implement goals to Executive Staff
June
Feedback
Phase 5
Executive Staff approves CSFs
Aligns with Mission & Vision
June
Phase 6
Board of Trustees gives final approval for Annual Plan and CSFs
August
Phase 7
Supervisors meet monthly to review and monitor progress of CSFs
Make Adjustments based on Environment
Sept - June

Figure 2.1D – Annual Planning Process

Through broad levels of involvement from internal and external participants, the strategic planning and the annual planning processes avoid blind spots and allow effective decisions. For example, in Phase 1 of Annual Planning, we involve Foundation staff; the BOT Investment, Finance, and Audit Committees; and outside advisors. Key investment strategies are established through asset allocation, which determines the long-term policy objectives of the endowment based on sophisticated technical analysis. The Investment Committee makes policy determinations as to tactical allocation within the strategic asset allocation. The policy calls for rebalancing at the asset allocation level whenever assets are out of bounds with the objectives.

A variety of external scanning approaches also provides input about potential blind spots and threats. In addition to the research and analysis approaches described in 2.1a(2), we engage highly placed and very successful volunteers to provide guidance and expertise. We involve corporate executives across a number of industries, professional associations, investment management, and leadership levels combined with close monitoring of events in the broader philanthropic community.

2.1a(2) Planning addresses key factors
We engage many methods in strategic and annual planning to ensure key environmental factors are considered. Many of these approaches are outlined in *Figure 2.1E* and are designed to inform our planning efforts. Significant inputs come from specific meetings and research such as:

- Fundraising conference with Big XII Conference universities to address issues affecting a wide range of fundraising such as new tax laws, Internet fundraising, younger alumni, etc.
- A review of industry publications and an active internal research department give a sense of the economy and the U.S. philanthropic outlook
- Formal and informal feedback from the customer base
- Review of previous year performance with the BOT
- Input from the BOT and volunteers regarding economic conditions, political impact, and tax changes
- Research on major shifts in technology, the marketplace, and regulatory from industry and peers
- Information generally available in the media as it relates to developments in philanthropy

Area	Information Used
Customer/Market needs	- Changing demographics of donor base (e.g., younger, less Corp-oriented, less campus-oriented, more Greek-oriented, more females and intl students) - Changing giving preferences - State funding decreases which cause increasing demand from TAMU to meet their needs
Competitive environment and our capabilities	- Proliferation of alternative gift receiving orgs - DSG policies, coordination and leadership (Hybrid fundraising structure at TAMU)
Technological and other innovations	- Availability of new information technology and systems to manage operations - Issues related to the security of donor information
Human and other resource needs	- Monitoring organizational culture for sustainability - Changing employee needs for satisfaction - Monitoring changing demographics of student body, former students, and greater Texas society - Anticipation of significant leadership turnover within next 5-10 years causing succession planning - Cost of benefits to balance changing staff needs
Products, services, or areas with new opportunities	- TAMU strategic planning and need requests - New buildings on campus - Pension Protection Act of 2006 – IRA gift provision
Environmental, economic, regulatory and societal risks	- State of economy and stock market - Estate tax and tax laws - Regulatory changes (i.e., open records rulings) - Limitations of state funding for higher education - Possible shift in society away from philanthropy
Partner and supply chain needs	- Research of investment strategies, funds, allocations - Research of firms with specific marketing focus - Eduventures – benchmarking best practices

Figure 2.1E – Environmental Scanning Information Used

These input sources are used within both strategic and annual planning to form an analysis of Strengths, Weaknesses, Opportunities, and Threats (SWOT) upon which planning decisions are made. Priorities are selected from the SWOT analysis to address through our CSFs and organizational-level actions. Longer-term plans for facilities, personnel, and IT are discussed and updated to ensure alignment with directions.

Sustainability and continuity are realized in our planning process through formal and informal plans for infrastructure elements (facilities, human resources, IT, culture, and leadership) as they are required to support the requirements of the campaign and for longer-term viability. Through annual reviews and planning processes, executive leadership focuses on staffing to reach the expanding markets of former students and evaluating new opportunities and investment strategies.

Our Crisis Communication Plan and Disaster Recovery Plan are reviewed and updated annually to ensure continuing operations during any unscheduled interruptions in the business cycle. The TAMU executive management and TAMUF's leadership review progress on a quarterly basis. More importantly, they measure and interpret results annually relative to the successful completion of the strategic plan.

2.1b Strategic Objectives

2.1b(1) Key strategic objectives and timetable
Our strategic goals, objectives, and their timelines include having $1B in net assets by 2010, conducting two capital campaigns and various mid-cycle campaigns between 2000 and 2020, and reaching $3B in net assets by 2020. These strategic goals will be achieved by averaging a ten percent annual growth rate. This annualized increase will result from a

combination of net undistributed earnings on the endowment, new current gifts, and matured planned gifts. Our strategic plan (*Figure 2.2A*) shows the alignment of competitive factors, strategic challenges, and strategic objectives.

2.1b(2) Objectives address strategic challenges
Our strategic objectives are directly aligned to our strategic challenges as shown in *Figure 2.2A* and *P.2A*. This ensures our focus on issues of greatest importance. The challenges identified are short and long-term. We maintain that balance of long- and short-term challenges and opportunities by routinely reviewing progress against the strategic objectives and the operational goals and objectives.

We ensure the objectives and strategies address and balance the needs of all stakeholders by including a checkpoint in the strategic plan (*Figure 2.2A*) to consider each stakeholder. We continually align fundraising needs with institutional priorities such as through DOD interaction with donors. Annual meetings with college deans across TAMU determine their feedback and satisfaction with our direction. Monthly meetings with the TAMU president and provost report progress, changes, and the execution of plans.

2.2 Strategy Deployment
Deployment of our strategic plan occurs from top to bottom. Every department is essential to the implementation and completion of our strategic planning. After every quarterly BOT meeting, senior leadership conveys important issues and challenges to everyone. The involvement and participation of every employee is critical to the deployment of strategic plans.

2.2a Action Plan Development and Deployment
2.2a(1) Develop and deploy action plans
Our action planning process is initiated each spring when the executives and key staff discuss progress against the annual goals and objectives. New (or revised) goals and objectives are initiated through the annual planning cycle (*Figure 2.1D*). Upon approval by the BOT, execution begins. This includes presentation of the annual plan to the entire Foundation staff and the charge to the supervisory staff to use the plans for deriving CSFs and development of performance plans that must be realized in order to achieve the objectives for the year.

The Supervisor Group then works with their departments to generate departmental CSFs and interdisciplinary objectives. This planning approach involves all staff and ensures that everyone has a responsibility to achieve the plans for the year. Once supervisors generate a set of CSFs, they provide them to the executive staff, who then meets with the supervisory staff to modify, expand, and revise the CSFs based on alignment to our mission, vision, and objectives. CSFs are then presented to the BOT for final approval. Accomplishment of CSFs is a key component of our overall incentive compensation plan (5.1b). Thus, CSFs are a set of qualitative objectives for every employee that aligns them to the organizational objectives.

Once the CSFs are approved, they guide the development of departmental and individual performance plans. These plans represent the activities to be carried out by each individual accumulated to achieve the CSFs and then the achievements of the overall plan. Quarterly results of the CSFs are reviewed with employees and adjustments to individuals' performance plans occur to ensure achievement of the overall plans.

The annual budget is developed and reviewed with the BOT during review of annual plans. Thus, the assessment of the plans and the resources needed to achieve them are developed simultaneously. To ensure key changes resulting from prior year's plans are sustained, they are identified in the annual progress review and carried forward. Changes are sustained through allocation of budget resources, system changes, and adjustments to job descriptions or work procedures as needed.

2.2a(2) Modify action plans
Management meets weekly and supervisory staff meets at least monthly to evaluate current activities and direction. If requirements from TAMU or changes in our operating environment require change, leaders address those changes through meetings with the appropriate level constituent and CSFs or performance plans are developed to address the issue. Changes to plans are deployed throughout the organization through the Supervisor Group or Executive Team meeting.

2.2a(3) Short- and longer-term action plans
Our key short- and long-term organizational actions are shown in *Figure 2.2A*. The leadership monitors the activities of the Foundation to ensure everyone is operating within the budget parameters set out to achieve those annual goals. In addition to these key action plans, many CSFs align every employee to the organizational direction. Progress to prior year CSFs is shown in *Figure 7.6A*. We are working 94 CSFs ranging from the OSOV campaign to launching of our brand theme.

Longer-term plans are represented by the Strategic Objectives in *Figure 2.2A* and support the four Key Imperatives spelled out in the Vision 2020 plan, which are faculty support, student support, program support, and support for additional facilities.

The key action plans that are considered a change to our service and to our customer segments relate to the Strategic Objective of Connecting with our Changing Donor Base. We have hired TaitSubler to help better understand current donors and to gain insights into the new donor base. This new base was created by the rapidly increasing number of graduates from TAMU in the 1970's. Changes were identified and defined on attitudes about giving and whether they preferred giving to preserve the traditions of the school or to advance the University into the future. A new brand theme has been designed called, "Magnify the impact of the Aggie Spirit through investments in academic excellence." The marketing segment and brand theme will be used to evaluate all marketing and communications efforts in the future.

We anticipate a number of significant changes to both the product offerings and the communication mechanisms with the changing customer and market base. This will primarily be in the area of opportunities for earlier entry of individuals into the gift giving activity, typically resulting in the acceptance of smaller gifts and through utilizing technology such as the Internet and voice communications to reach and interact with this changing customer base, typically younger, more mobile with a different outlook as it relates to philanthropy.

2.2a(4) Human resource action plans

Key human resource plans are created as part of the strategic objective to Hire the Best and Brightest and train and retain them. The action plan is to identify "younger" talent and connect with the changing donor base. HR plans include:

- Increase in the fundraising staff; train fundraisers internally. Maintain competitive compensation schedule.
- Reward and retain staff through incentives.
- Improve performance reviews to align individual performance objectives to the CSFs and annual plan.
- Ensure employees have the opportunity to provide feedback to their supervisors in terms of direction.
- Ensure that ethical and legal behavior is a prominent part of organization's objectives.

In addition to the organizational level actions, HR's CSFs from last year included activities to coordinate staffing expansion, evaluate specification and workload, refresh orientation and training for new employees, and complete Supervisors training program. This year, CSFs include update of resource documents, assist in implementation of new HR/Accounting systems, and evaluate HR responsibilities.

2.2a(5) Performance measures for tracking progress

Key action plan measures are also shown in *Figure 2.2A* as they align to organizational action. However, of greater relevance to employees are the measures that drive the incentive compensation plan shown in *Figure 5.1C*. These measures, established through the annual plan, are the key performance measures for tracking progress with the organization action plan and the individual plans that are derived from it. Each year, this measurement system is used to determine achievement of results in overall performance. These results include dollars raised, gift expectancies, endowment performance, and CSF completion. Performance to these measures are frequently (daily, weekly, monthly, quarterly, annually) reviewed for progress and relevance.

2.2b Performance Projection

Our key performance measures for the short term are dollars raised, gift expectancies, endowment performance and CSFs. For the longer term, our key performance measures are defined by Vision 2020, which means the conducting of another major campaign and to achieve $3B in assets by 2020. Performance targets are determined annually and measured to maintain a top-level status among public universities.

Given the Vision 2020 aspiration, our strategic intent is focused on nothing less than providing TAMU with high performing, major gift fundraising activities. To understand how best to plan and execute the desired fundraising program, leaders routinely look for gaps and ways to improve day-to-day operations. The leaders have instilled a performance improvement program and a culture of excellence over the past decade. Best practices are initiated through the Foundation but leaders are always looking at our peers to find new approaches for strengthening our business. The annual reviews in the spring provide ample opportunity for leadership to craft the best road map to improve any inefficiencies and this process enables our leaders to significantly close any performance gaps relative to TAMU's or donors' needs.

Vision:	*To enhance TAMU's capability to be among the very best universities so that more Aggies can impact the world.*				
Mission:	*To multiply the impact of the Aggie Spirit through fundraising and asset management to support academic excellence.*				
CF	Supporting the Vision of TAMU	Quality of the staff	Building donor relationships	Asset Growth	Being efficient and effective
SC	TAMU relationship enhancement	Finding/keeping qualified staff	Changing donor base	Maintaining intergenerational equity	Resource constraints
Values	Mission Focus	Service & People	Relations building	Perform. excellence	Perform. Excellence
SO	Improve open communications and relationships	Hire the best and brightest and train and retain them	Connect with changing donor base	Enhance investment returns and distributions to TAMU	- Financial stewardship - Match growth needs with resource bases
Action Plans	- DSG - Deans/Fund-raising Agreement	ID "younger" talent with parallel skills and cross train	- Research - Marketing - New sales tools	SIC/IC Asset Allocation	TAPE/Strategic Planning
SG	TAMU/DOD's	Staff	Donor (Customer)	TAMU	Board, Us
Measure	- $ raised - Impact of $ on University	- Turnover - Satisfaction - Productivity	- Growth in $ raised - Growth in gift expectancies	- Investment returns - Spending levels - Endowment growth	- Operational budget - Productivity

Figure 2.2A – Strategic Plan (Strategy Matrix)

Legend: CF - Competitive Factor; SC – Strategic Challenge; SO – Strategic Objective; SG – Stakeholder group affected

3.1 Customer and Market Knowledge

Our marketing strategy consultants group, TaitSubler, helped conduct research based on demographics, psychographics, and actual donation behaviors. The marketing strategy includes defining the target segment as, "directed futurists," as well as reaching them with a new brand theme: "Magnify the impact of the Aggie Spirit through investments in academic excellence." TaitSubler also identified the point when Aggies gain lifelong attitudes about TAMU (the freshman year on campus for most Aggies).

3.1a Customer and Market Knowledge

3.1a(1) Identify customer, customer groups and markets

As shown in *Figure P.1E*, we address two separate groups - donors and TAMU. (*Note: we refer to TAMU as our stakeholder, or customer partner; and to donors as our customers.*) We segment donors into four groups. This approach is based upon their differences in requirements and upon the approaches used to identify and develop relationships with them. Refinement of these customer groups is underway as we analyze information from the TaitSubler study.

Our four donor segments are: 1) former students, 2) backers, 3) corporations, and 4) foundations. The first two groups are comprised of individuals, though some individuals also donate to the Foundation through their own private charities. The second two groups are typically businesses. Former students comprise the largest group of customers. Backers support the Foundation and may or may not have a connection to a student/former student. They include widows, widowers, and parents of former and current students as well as individuals who did not attend TAMU but choose to support TAMU. Corporations (including corporate foundations) are businesses that support the Foundation monetarily (including matching funds for employee donations) and with in-kind support such as equipment donations. Many corporations employ and/or recruit former students. Foundations include many small charitable trusts set up by individuals or families as well as larger, more established aid organizations such as community and industry-related foundations.

We target these segments through various methods including repeat customers and referrals from current donors or professionals such as lawyers, estate planners, accountants, and veterinarians (for the TAMU Veterinary School). In addition, we track recent IPO's or company sales where donors and/or former students may have profited. Our research department conducts proactive research, purchasing ratings on our donors from companies such as Kintera's P!N, Blackbaud, and Marts & Lundy. Potential donors may also self-identify by requesting publications from us. Our research department also tracks "philanthropists" and may flag individuals who are currently investing in higher education or who have an interest in a specific academic discipline or research project at TAMU. Potential donor corporations may be identified as companies that employ a significant number of Aggies (current or former students of TAMU) or have Aggies in mid-to-senior leadership roles, recruit current students, align industry and academics, offer matching gift programs, or invest in higher education. Criteria for identifying philanthropic foundations include investment in higher education, interest in diversity or lower-income students, alignment to academics, geographical base, or founded by a former student or their family.

Market segments are approached in several different ways. We assign "giving potential" ratings to many of the individuals in our database that allow us to target them with special offers. For example, we may select a group based on high "gift annuity" ratings to receive a special mailing describing annuity opportunities. We also use estimated incomes/real estate holdings information of individuals to engage high net worth individuals for gifts. We take advantage of industry trends in the US, especially when they align with TAMU; e.g., current high profits in the oil industry mean that DODs are actively talking with former students employed by oil companies about supporting the petroleum engineering program. We also hired TaitSubler to categorize our former students based on attitudes and behaviors and to identify segments with the highest potential for giving to the Foundation.

Once potential customers are identified, our staff determines which to pursue based on 1) how the customer's interests align with TAMU priorities, 2) high value gift potential, 3) gift intent, or 4) self-identification. As part of stewardship, we regularly contact current donors, often gaining repeat customers in the process.

Individuals, corporations, and foundations often give to organizations that compete with us for philanthropic dollars. Former students and backers may have degrees from other universities or spouses who attended other universities and may vie for their charitable dollars. Individuals may support other charitable organizations such as churches, symphonies, or the Red Cross. Each donation impacts the dollars available for donation to TAMU. Our internal competitors, AFS and 12th Man, also compete for donations. Corporations and foundations rarely give to a single nonprofit. In all cases, we must make the case for the importance of giving to TAMU and why the Foundation provides the best experience for the donor in the giving process and in fiscally managing the gift itself.

In addition to our customers, stakeholder TAMU also acts as a customer partner. Our leadership works with the TAMU president in planning for the needs of TAMU and how best to allocate funding. Leaders and DODs work closely with the colleges and departments to identify funding priorities for the specific areas. Our DODs are co-located with the dean's office to directly support their needs. TAMU acts as a customer partner when its president, deans, and department heads come with a DOD to visit donor prospects and explain the college's current programs and funding priorities. A college's business manager acts as a customer of our accounting department when it seeks funds from the accounts we manage.

	Listening approaches
Donor Customer Segment	
Former students and Backers	Before becoming a customer: - Referrals - Research on Business information and tracking "Philanthropists" - Ratings companies reports - Potential customer request for publications - Surveys and focus groups, response card, email During and after becoming a customer - Attendance at Foundation events - Trend data - Regional gatherings - Participation in academic advisory councils - In-person or phone contact with DOD or other staff - Surveys and focus groups, response card, email - Attendance at TAMU sponsored events - Participation in professional conferences
Corporations and Foundations	- Research on location and status of former students - Research in corporate/foundation giving in specific areas - DOD and Foundation/TAMU leadership personal contact - Research on companies with matching gift programs (corporations only)
Stakeholder TAMU (Customer Partner)	
University Leadership	- President attends TAMU president's staff meetings - Monthly DSG meetings (Foundation and TAMU presidents co-chair) - Regular phone/email/personal contacts with TAMU - President travels with TAMU president on fundraising - Written and verbal communication between president and chair of TAMU Committee on Built Environment
Colleges & Departments within University	- DODs attend dean and department staff meetings - Regular phone/email/personal contacts - New product design work groups with deans & leaders - President frequently attends "all deans' meeting" - President/SVP dev. meet with college dev. councils

Figure 3.1A – Listening and Learning approaches

3.1a(2) Listen and Learn to determine requirements

We use numerous approaches to listen and learn from our various customer groups. Not all approaches are described here; however, many of the more important ones are outlined in *Figure 3.1A*. These approaches are all used for purposes of:
- planning services and gathering requirements
- marketing,
- identifying process improvements,
- business development /identifying potential donors,
- customizing service by DODs,
- gaining referrals,
- identifying new product and service offerings, and
- determining satisfaction.

At the core of listening and learning from donors is our DOD, who actively develops relationships. They are most often the initial and continuing point of contact between the Foundation and the donor. Their one-on-one visits via personal contact and phone offer involvement with our donors and create their relationship with us. In short, through DODs, we build long-term relationships that allow us to constantly monitor and understand donors' changing requirements, expectations, and satisfaction levels.

Foundation leadership and DODs also actively meet with stakeholder TAMU leadership at the university, college, and department levels. This interaction keeps the Foundation in sync with the priorities of TAMU on various levels and also keeps stakeholder TAMU apprised of donor requirements, expectations and satisfaction. Frequently, TAMU leaders will make donor visits in conjunction with DODs.

In addition to direct contact with donors, we also determine requirements for customers and for products and services through interaction with and analysis of our competitors and through involvement in industry associations and training (e.g., CASE and EDF conferences).

The combination of one-on-one visits, supporting staff interactions, donor group gatherings, review of quantitative historical and research data, and interaction with peer organizations and their professionals allow us to constantly listen, respond, and plan for changing key customer requirements. These same processes allow us to gauge the relative importance of donors' wishes or an individual's decision to make a gift.

The type and frequency of interactions with our donor customers vary according to the relative size of the gift, as well as to the donor's purpose for making the gift. Larger donors receive more one-on-one visits, which are more likely to include Foundation and TAMU leadership. For example, a multi-million dollar level potential donor will warrant a visit by the Foundation president often accompanied by the TAMU president. Stewardship events are specific to a program or academic unit and provide the opportunity for our staff to visit with donors. Our quantitative research data is often conducted to identify target customers based on customer relevant criteria such as donor capability (wealth), affiliations, and age.

While gift size and purpose often affect our methods for determining key customer requirements, relevant information and feedback from current and former customers are used broadly in the areas of product and service planning, marketing, process improvements, and other business development. Towards these four purposes, we use marketing and sales information, customer loyalty and retention data, win/loss analysis, and complaint data to constantly improve how we approach and serve our customers.

As an example of using this information for product and service planning for customers expressing an interest in diversity (and to support a key priority of TAMU), we created the FEA program to address the need for scholarships targeting historically underrepresented groups. In response to customer feedback from potential donors, the Foundation's marketing initiatives include defining our identity relative to our sister fundraising organizations (AFS and the 12th Man).

Data and information from our customers often results in process changes. Improving our pledge reminder system and stewardship process are two improvements made as a result of win/loss analysis. We have become more customer-focused by identifying new ways to communicate with, interact with, and respond to changing requirements of our donors and potential donors based on complaints and sales information.

3.1a(3) Keep listening and learning current

Listening and learning methods are kept current with business needs and directions through attending industry conferences, ongoing training, benchmarking other successful operations, and assessing our outcomes. Employees attend conferences hosted by CASE, UFFO, EDF and NAADA to network and learn about current business needs and directions. These organizations provide leading-edge material in fundraising and keep us current on practices around the country.

In addition to development seminars, employees attend training related to their area of responsibility such as speech writing, nonprofit financial statements, and matching gifts. Employees keep current on technology by attending technical training seminars on software.

Employees also utilize input from volunteer groups associated with TAMU to keep abreast of marketplace trends. These groups include college advisory councils, the BOT, financial advisors, etc. One of the best methods the Foundation uses to determine the direction it should take to keep current with business needs is listening closely to our donors.

Our self-assessment to the TAPE criteria has also identified areas for improvement as well as provide valuable feedback from external sources about areas to improve.

Improvements from each of these sources are implemented within departments (for low complexity issues) or through use of the QC improvement cycle resulting in CSFs for improvement [described in 2.2a(1)].

3.2 Customer Relationships and Satisfaction

The Foundation so values its relationship with donors that we sometimes describe our function as "friend-raising" rather than fundraising. DODs often spend years developing a rapport with a potential donor prior to receiving a gift and then spend a lifetime stewarding (maintaining the relationship with) the donor. Our money management skills receive high accolades from both donors and our stakeholder TAMU.

3.2a Customer Relationship Building

3.2a(1) Build relationships with customers

Customer relationship building is our business. Many of the same approaches identified in *Figure 3.1A* for listening and learning are also used to build relationships with both donors and with stakeholder/customer partner TAMU. For our donors, we have multiple means of stewardship including one-on-one communications and group events. Ongoing communications and meeting departmental needs provide strong, partnering relationships with our colleagues in TAMU.

DODs build customer relationships using a systematic four-step process as described in 6.1a(1). The steps are identification, cultivation, solicitation, and stewardship. While visits are most often performed by DODs, very significant contact is continually performed by other staff members and partners including the Foundation stewardship, scholarship, planned giving, corporate and foundation relations, real estate, and gift receipting departments; TAMU faculty and staff contacts; and Foundation volunteers (usually former students).

Stewardship is the last step in the process and is designed to convert the donor into a lifetime supporter of The Foundation. Repeat customers are very important in fundraising and are the very focus of this process step. Depending on the donor, recognition may be very important. This could involve a press release, acknowledgment of their gift in publications, a recognition event on campus, or the unveiling of a building or other facility that is being named for the donor.

What has proven over time to be the most important part of stewardship to donors is revealing the impact of their gift. Many life-long relationships have been established between the donors and their scholarship students. In some cases, this has led to students funding scholarships later in life due to the relationships maintained with their benefactors. We strive to involve donors personally with the beneficiary so they can see the impact of their gift (e.g., donor/scholar events).

By setting the standard for the customer relationship building process at the highest level, we create strong loyalty in our customers, which often leads to positive referrals. Referrals from current donors are extremely valuable to identify new donor prospects and expedite the cultivation process, ultimately enabling us to procure more support for TAMU.

3.2a(2) Key access mechanisms for customers

The Foundation has multiple means of providing donors with information and enabling them to conduct business and/or make complaints as shown in *Figure 3.2A*. Because we work in a relationship-intensive environment, most of our methods shown in *Figure 3.1A* for listening and learning are the same methods used for providing access to customers.

Customer Group	Access Method
All Donor Groups	In-person contacts Website / traditional mail to provide info Phone and email addresses provided for DOD and key staff Emails with links to articles on website Periodic publications to provide info Periodic surveys, response cards, and website to gain input from customers Marketing contact to feature donor in article/direct mail/ad/video/etc.
TAMU University, Colleges, and Departments	In-person, phone, email contact TAMU staff meetings DSG meetings Intranet for accounting information for college/department business managers

Figure 3.2A – Access Methods

Two-way interaction provides opportunities to discuss gift specifics and donor benefits and allows questions to be addressed immediately. In addition to these important personal contacts, the website contains basic information on programs, giving opportunities and contact information to direct questions, complaints, and requests for publications. Many periodic publications, newsletters, and direct mail provide information on our organization, giving opportunities, donor recognition items, and contact information. Periodic surveys, response cards, and our website enable donors to provide feedback that helps shape our business.

Campus and athletic events are also great opportunities to interact and exchange information with prospects and donors. Hagler Center is open during regular business hours and prior to some athletic events to allow prospects and donors to gather information and conduct business.

The Foundation has near-constant communication with TAMU through staff meetings and co-located DOD offices. For college/department business managers, much of the information they need is obtained on our password-protected intranet. Anytime TAMU or the Foundation has questions of the other, answers are just a phone call or in-person visit away.

Specific standards for performance of customer service include 1) answering any and all questions from donors in a timely fashion, 2) providing a broad range of giving opportunities, 3) anticipating donor needs and questions, 4) treating the donors with care and respect, 5) providing donors with accurate and timely information, 6) meeting or exceeding a 3-5 day turnaround for processing gifts, and 7) never "handing off" a customer. Certain departments have additional requirements as appropriate, such as the Gift Processing department and the Trust Company, which both require the use of a donor's formal name (Mr., Mrs. Dr.), and requires response to a donor's email or phone request the same day. DODs send out thank you notes within 24 hours of a visit and any promise made to a donor is carried out within five business days.

We ensure these standards for interaction are deployed to all people and processes in the response chain through continuous training for all employees in their processes and approaches. New employees receive several days of in-depth training on the entire organization. They are given an employee handbook and trained on our intranet site ("FNET"), which contains the procedures that outline these requirements. All DODs and TAMU staff involved in development meet weekly for training and prospect coordination. Additional training is provided at periodic retreats and refresher courses. New deans receive one-on-one training while DOD assistants meet quarterly to stay current on this information.

3.2a(3) Manage customer complaints

We receive relatively few complaints considering the magnitude and scale of business conducted on a daily basis. However, when a customer does voice a concern, it is taken very seriously and given extreme priority. *Figure 3.2B* depicts our procedure for complaint management, which occurs at varying levels of formality within the Foundation.

Because our staff are empowered to act within the scope of their processes, many issues are resolved before they ever become a complaint. DODs are extremely sensitive to donor and University customer needs and quickly modify approaches or offerings to resolve issues. Therefore, the primary sources of documented complaints are escalated issues that reach staff, or responses from the customer satisfaction survey. When these complaints are received they are directed immediately to the appropriate employee and/or department to resolve it.

However, we never hand off customer complaints. The initial contact will walk through the solution process with the customer. The receiving department or staff person records the issue and quickly works to resolve the issue and modify processes where systemic issues occur. Where possible, the resolution is verified with the customer to ensure satisfaction and recovery of relationship.

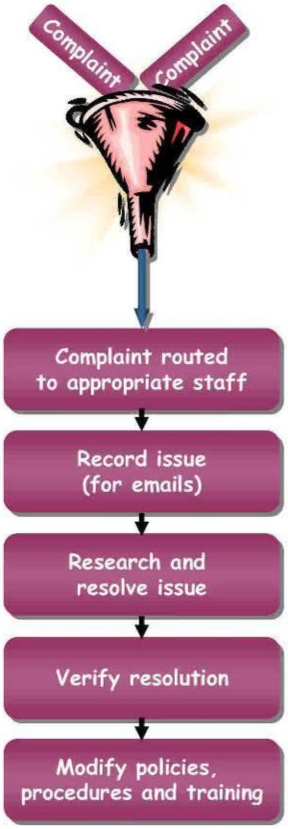

Complaint
Complaint
Complaint routed to appropriate staff
Record issue (for emails)
Research and resolve issue
Verify resolution
Modify policies, procedures and training

Figure 3.2B – Complaint Management

Many complaints are resolved by the receiving employee immediately without any formality. In fact, our employees address issues with donors that are often not even complaints with us at all, but rather complaints with other areas of the University. Our policy is to rapidly address the issue and ensure the donor is satisfied with the resolution.

3.2a(4) Keep relationship building current

We hired marketing consultants to bring more innovation into our approaches toward building relationships and providing customer access. Our goal was to define the market segments that will represent the most likely donors now and in the future and to identify trends and methods of approaching these segments. In addition to the evolving marketing strategy, we also look at industry trends, exchange ideas with peer institutions, regularly analyze current direct mail initiatives and website usage, and analyze customer satisfaction tracking studies to keep access and approaches customer-centric. We added an internal marketing staff to add methods to measure the effectiveness of our relationship building approaches and track how relationships are built. This self-assessment approach using the TAPE criteria also provides a significant opportunity to evaluate customer relationship approaches to identify improvement opportunities.

3.2b Customer Satisfaction Determination

3.2b(1) Determine customer satisfaction

Customer satisfaction is determined formally and informally. First, to stay ahead of the curve, we use surveys on our products and services to obtain quality feedback. On a prescribed timeline, the manager of stewardship programs facilitates the distribution of a comprehensive survey to judge donor satisfaction as it relates to the types of programs they contribute to, the level of service we provide with regard to their investments, and the level of service received with regard to the impact/use of their gifts for TAMU. These results are used to make improvements throughout our organization.

Customer focus groups aid in designing our surveys. First, we determine what information we want from specific groups and then questions are designed to gain information regarding ideas that will benefit the cultivation of new and repeat donors. Topics for a focus group may influence our survey questions while opening windows of discussion between the donor and the Foundation without the pressure of a one-on-one conversation. Information gained from these groups is used to enhance our processes by incorporating donor preferences into them. A second formal approach is tracking repeat attendance at events as an indicator of satisfaction. We also informally survey donors attending our events to get their impressions and improvement suggestions.

The most effective methods of determining customer satisfaction are the informal discussions that take place everyday between Foundation staff and donors or TAMU employees. It is not uncommon for the relationship between a donor and a DOD to become both a business venture and a personal friendship as the cultivation phase may progress for years before a gift is realized. Information about complaints and concerns arising from customer discussions is aggregated through discussions at the weekly DOD meetings where issues are often immediately addressed.

Valuable insights into the quality of our services and products are gained through events TAMU and we host. During these events, representatives visit with donors, students, and faculty members to gauge their perceptions of the support we offer. For example, each year the Foundation hosts a reception honoring the donors and students participating in the President's Endowed Scholarship program. During this time, staff members are able to visit with donors and students to hear their concerns, their praise, and their suggestions with regard to the administration of this growing program.

3.2b(2) Follow up with customers

The first and most common method of follow-up is ongoing stewardship with our donors. DODs and staff routinely meet one-on-one with major gift donors to provide them with updates on the utilization of their gifts and the performance of their investments. In an attempt to customize products for our potential donors, DODs rely on their ability to listen and gauge the interest of a particular donor and to attend to their concerns relating to a specific aspect of a particular program.

DODs often conduct feasibility studies at the request of their unit heads to ascertain the viability of a particular program or project being considered by the unit leadership. Through this effort, DODs are able to interact personally with donors to gauge their perceived support of initiatives such as new buildings, major endowments, and faculty funding.

To provide follow-up with TAMU, DODs are in near-constant communication with the colleges and our leaders are in near-constant communication with University leaders. Our marketing department is also in regular contact with TAMU marketing. Accounting contacts college business managers as questions arise and give twice-annual updates to these business managers. DODs attend college/department development council meetings (some quarterly, some twice a year) and get feedback during those more formal times.

3.2b(3) Comparative customer satisfaction

During various surveys and focus groups we have conducted over the past six months, several pieces of comparative information have been gathered and are being synthesized at this time. Results will be available on site. As another source, in focus groups conducted by TaitSubler, a number of constituents were asked about their satisfaction with charitable giving to us versus other charitable organizations and IRFs.

Evaluating our effectiveness overall also comes through industry studies such as the joint study conducted in 2004 by Rutgers University and Marts & Lundy with a number of public research institutions. In a group of nine institutions, the average overall donor retention rate was about 65%, and that TAMU had approximately 12,000 five-year consecutive donors (*Figure 7.2G*). The study analyzed 19 years of data for those nine institutions and found TAMU had 35% of its total donors classified as loyal over a five-year giving period compared to the average five-year loyalty of 28%.

A quantitative study that was recently conducted by TaitSubler is currently being analyzed. This study includes, among other things, questions about donor attitudes and expectations on giving in general versus giving to TAMU.

In the TaitSubler focus groups, studies were conducted to understand donors' perception of the Foundation and how we compare to other TAMU fundraising organizations. These ranged from "don't know what goes on in there", to "future-focused, guiding light". The 12th Man's feedback was much more mixed in its messages from "becoming a bloated money machine outside real purpose of a university" to a feeling of sports "I like the feeling of camaraderie." AFS enjoys a beneficent halo with feelings of "where we all join in to give back to the University" and Superman as "a way to do good; a generalized way to support A&M".

Some of the most helpful comparative satisfaction information actually comes from discussions with our DODs, who indicate that our customers are satisfied, and when a donor is unhappy, steps are taken to resolve any issues on an individual basis.

3.2b(4) Keep satisfaction determination current

As our products, services, and donor base change, so must our customer satisfaction determinants. This determination is often accomplished by one-on-one interaction with donors as we discuss with them their other philanthropic interests. As DODs visit with donors, they obtain information through strategic listening and questioning to gain insight into donors' views of success as it relates to the utilization of their gifts. We also track other IRFs to find out their approaches to gaining customer satisfaction information. We exchange information with other higher education institutions while attending various conferences. Often best practices are shared formally during a presentation and informally through round table discussions and networking receptions/luncheons.

Through networking with peer institutions at conferences, we also gain ideas that can improve our programs. Prior to making major changes we typically talk with multiple donors one-on-one to gauge their interest in the changes.

Ongoing self-assessment through this TAPE program and through annual review and update of organization procedures provide a systematic method of identifying improvement opportunities. Improvements from all of these sources are then implemented through CSFs, departmental meetings, or Lead Teams as appropriate.

4.1 Measurement, Analysis, and Review of Performance

Effective data measurement, analysis, and knowledge management are important to our improvement efforts and success. We rely on the acquisition, aggregation, review, analysis, and utilization of timely and accurate data and information for strategic and operational planning and ongoing decision-making.

4.1a Performance Measurement

4.1a(1) Select, collect, align, and integrate information

The selection, collection, alignment, and integration of data and information are based on our strategic planning process and process management system.

Organization level strategic measures evolve out of Vision 2020 and a series of annual operating planning cycles that include primary goals and objectives as explained in 2.1a(1). During strategic planning, the measures and goals that create the basis of our measurement system are selected based upon meeting the funding needs of our customer partner, TAMU. Then, during annual planning, we delineate specific shorter-term organizational assessment and performance measurements in two key areas that constitute progress toward our campaign goals - fundraising and asset investment management. This ensures alignment of key measures to the organization's most important strategic directions.

Daily measures are selected for tracking ongoing performance as described in 6.1a(4) and 6.2a(4) (shown in *Figures 6.1A & B* and *6.2A)*. Key measures of day-to-day performance are selected to enable us to track how well we are measuring process performance requirements that we get from customers. Some measures are also identified as appropriate through general industry tracking, conferences, and through opportunities presented for data tracking in the software we use. Through creation of the CSFs, performance measurements are established, aligned to organizational priorities, and monitored down to the individual level. Individual unit measures and goals are considered in DOD performance reviews including total dollars raised, number and type of contacts, number of solicitations, and priority items reflected in CSFs. In addition to the goal for a specific number of solicitations, DODs may have a secondary goal for solicitations of a planned gift or a priority scholarship program.

Multiple software systems collect data. For example, each semester graduates and their biographical information are loaded into Advance. Non-alumni individuals, corporations, foundations, and other philanthropic entities are added when gifts are received or prospects are identified by DODs and Prospect Research. Biographical information, such as address, educational, employment, relationships, activities, affiliations, and interests are included as the information is available. Updated addresses are acquired through the TAMF website, mail-in cards, by telephone, or in person. Since our database is a unified effort with AFS, biographical, gift, and event data entered by AFS are shared with TAMUF.

Demographic profile data used to identify prospects are acquired and loaded into the Advance database from outside vendors such as Blackbaud, Marts & Lundy, ES Solutions, and Kintera P!N. Biographical information such as career, education, civic, military, awards, memberships, student activities, wealth, and assets is entered by Prospect Programs when obtained through their research on various Internet sites. DOD's individual contact reports are entered into Advance daily to record contact with a donor or prospective donor. Pledges and gifts are similarly recorded and reports are run.

Similar data collection occurs through other computer systems, such as the processing of gifts and prospects in Advance or the gift and endowment balance information collected in our accounting software, Kintera Fundware. These systems aggregate and integrate information to create reports on key measures, such as number of contacts and prospects.

Data integration occurs electronically through the interface of our systems. For example, the BOT determines investment policy and TAMUF staff implement it. Our Investment Department receives Rate of Returns reports from our custodian organization, Frost Bank, which calculates investment performance of each account along with the appropriate benchmarks. These reports are received monthly and quarterly for the long-term investment pool. Individual managers send monthly or quarterly investment reports, which are checked against Frost's investment reports. All data, including comparison data, and reports are then further analyzed and reported by the Investment Department to senior leaders and the Investment Committee (IC) at least quarterly.

Data used to manage operations are shown throughout this application. *Figure 4.1A* identifies the location of these descriptions and outlines a sample of other significant types of information we select and use. The figure also describes how data is used to manage organizational operations.

4.1a(2) Use of comparative data and information

Comparative data and information are selected based upon the following criteria:

1) Measures to support key measures for the organization (shown in *Figure 4.1A* as appropriate) at all levels
2) Data from a reliable and appropriate source (best practices and competitive performance)
3) Data with relative assurance of being available ongoing

The key comparative data we use is shown in *Figure P.2B* in the Profile. These data are used primarily in ongoing strategic planning as an environmental scan, as input for purposes of marketing plans, evaluation of current and competitive performance, and to identify performance improvement opportunities.

Data	Use
Monthly campaign results and gift expectancies	Manage focus of day-to-day efforts
Tracking of gift and pledges	To acknowledge donors
Disbursements	Manage direction of gifts
Giving for the period	Monitoring of goal expectations and confirmation of gifts expected
Investment data from custodians / reports of Value Added Analysis	Calculate, monitor, manage investment performance
Employee satisfaction, well being, motivation measures (*Text in 5.3b(3) and Figure P.1D for health and safety*)	Support planning and operational decision making, improve sat, support recruitment of top pers., manage safety program
Regulatory and Legal Compliance (*Figure 1.2A*)	Manage legal and ethics programs
Incentive Compensation Plan (*Figure 5.1C*)	Manage compensation program
Environmental Scanning Information (*Figure 2.1E*)	Strategic and Annual Planning activities
Strategic Goal Measures (*Figure 2.2A*)	Track performance to plan and make periodic adjustments
Customer relationship and satisfaction [3.2b(1)]	Manage relationships with customers, make improvements
Process performance (*Figures 6.1A&B ,6.2A*)	Manage process performance

Figure 4.1A –Data Sources and Use

TAMU priorities, changing demographics of our target audiences, and market conditions drive our organization to concentrate on innovation. Current gifts, gift expectancies, asset levels, dollar amount available to TAMU, and cost of dollars raised are key issues. To drive innovation, we look at best practices of successful organizations. For example, the DOD for the college of Architecture compares strategies for soliciting architecture firms with other architecture schools.

4.1a(3) Keep measurement system current

The measurement system is kept current through many of the same methods used to select those measures. For example, through the strategic and annual planning process, the measurement system is aligned to changing directions each year. Changes to the measurement system are also identified through changes made to processes in CSFs, changing industry trends, advice from consultants, and benchmarking. Assessment of our organizational system through such methods as this TAPE application provides another method to evaluate the measurement system.

Changes to reporting guidelines often dictate changes to the measurement system. These guidelines include those by CAE and CASE. CAE is the nation's sole source of empirical data on private giving to education through the annual Voluntary Support of Education (VSE) survey and its interactive database. As these standards change, the Foundation changes its reporting standards to ensure we are able to collect like data for comparison. Changes to the measurement system are made quickly by the owners of the data who create appropriate methods to collect and store the information. At times, this may require a request to IT to provide the ability to collect the data.

Performance measurement systems are sensitive to rapid or unexpected organizational or external changes through evaluation of measures during ongoing reviews shown in *Figure 4.1B* when the appropriateness of data and information is evaluated and changes are made as needed. Flexibility is driven into the information management systems through our efforts to automate the vast majority of the data and information we use.

4.1b Performance Analysis and Review

4.1b(1) Review organizational performance

Leaders review organizational performance and capabilities in a cascaded system of frequent reviews outlined in *Figure 4.1B*. Their level of participation in these reviews is indicated in the table.

Various forms of analyses are conducted to support decision making to ensure conclusions are valid. *Figure 4.1C* outlines several types of these analyses. Leaders review performance at different levels, compare results with prior years, with peer group results, and discuss corrective actions, as needed.

Figure 4.1B notates whether each review is used to determine organizational success levels, competitive performance success, or performance relative to strategic objectives and action plans. As changes in organizational needs and challenges in the environment are identified, leaders devise a solution with appropriate personnel and corrective action. This could take many forms such as expanding the prospect base, meeting with unit management, providing more development officer oversight, implementing new strategies, or expanding marketing efforts.

This system of regular reviews and the use of consistent data and analyses provide us with a system to identify changing organizational needs and environmental challenges. It also provides the method to assess our ability to rapidly respond to those needs in the same meeting. Our ability to deal with unexpected events through this system has been demonstrated many times, such as after the attack on the World Trade Center in 2001. Due to our sound investment strategy, the Foundation continued providing adequate funding to the University despite the decline in the market. Other foundations were not able to cope as well and as a result had to cut funding to their colleges and departments.

Review	Fr	Participants	What is Reviewed	S	C	SO
Strategic/Annual Planning	A	Exec Staff, Sr. Ldrs, others as appropriate [2.1a(1)]	Results in key measures, required performance for campaign goals and Vision 2020	X	X	X
CSF Review (Supervisor Meeting)	A,M	Senior Leaders, Supervisors, Depts	Annual definition, monthly review of progress to them	X		X
Ind. Perf. Reviews	A	All Staff/their supervisors	Performance to responsibilities and goals	X		X
Board of Trustees Meeting	Q	BOT, Exec Staff, advisory committee members	Performance and comparative in Investment performance, fundraising, planned giving, corporate giving, and campaign results to goal	X	X	X
All Staff Meeting	Q	All Foundation Staff	Results of BOT meeting, status of incentive compensation, staff recognition awards	X		X
Key Performance Review	Q,M	BOT, Executive Staff, Sr. Leader	Progress to all CSF's, benchmarks, perform. goals and incentive compensation measures	X		X
DSG	M	TAMU President, Provost, Deans, Key Faculty, AFS, 12th Man Assoc	Coordination of efforts between fund raising arms of TAMU, changes and direction and the execution of plans	X		X
QC Meeting	M	Executive Staff, other serving employees	Process improvement implementation and results of team studies	X		
Admin and Operations Staff Meetings	M	Sr. VP Adm/Ops, VP & Controller, various TAMF directors, Sr. Adm Asst.	Progress to current year annual plan and operational performance	X	X	X
Campaign report review with units	M	DOD and TAMU Depts they support	Gifts by type allowing units to monitor and adjust to trends in giving	X		X
Trust Company (TC) Meeting	M	TC Officers and staff, Dir of Real Estate, Gift Plan Office	TC activity, potential business, financial and investment reports	X		X
Real Estate Strategy Meeting	M	Var Sr. VPs and AVPs, Sr. Philanthropic Officer	Real estate activity and strategic planning for bringing in new real estate gifts	X		X
Executive Staff	W	Executive Staff	All areas of Foundation operations, Trustee meeting follow-up and planning, current news	X	X	X
DOD Meeting	W	All DODs and various TAMF directors	Planned contacts for the week, strategic objectives and mini-campaign goals, training	X	X	X
Unit Analysis Review	W	President, Sr VP and various VPs, AVPs, and directors, affected DOD, Camp. Asst	Review unit performance of assigned Top $1M+ prospects	X	X	X
Staff Investment Committee	V	President, Sr. VP Adm/Ops, Inv Dir, VP & Controller	Investment Committee progress, strategic product planning			X

Legend: *Fr (Frequency) is A=Annual, Q=Quarterly, M=Monthly, W=Weekly, V=Various*
Col S = Review Organizational Success, Col C = Review Competitive Performance, Col SO = Review to Strategic Objectives

Figure 4.1B – Reviews and Participation

Analysis Type	Examples
Trend analysis	Every DOD is measured on exceeding past performance
Comparative analysis	Prior year performance, peer performance, HR compensation analysis
Performance to goal	Contributions growth and investment performance are compared against incentive compensation funding levels in evaluating performance
Cause and effect	Internal and external screening data increase in contacts, cultivations, solicitations, gifts
Pareto analysis	Software and hardware improvements, Central staff effectiveness
Financial return analysis	Strategic planning preparation
Cost/Benefit analysis	Cost per dollars raised, cost per fundraiser
SWOT	Vision 2020 analysis, Strategic Planning
Progress to plan	CSF
Value Added Analysis	Investment analysis to determine decisions and specific investments that have added value

Figure 4.1C – Analysis to Support Reviews

4.1b(2) Translate findings into priorities

Findings from each of these reviews are translated into priorities for continuous improvement through discussion of identified issues, which are then prioritized for action. These issues are used to modify performance plans or CSFs, or they may become CSFs or projects for Lead Teams.

This performance review system also provides a key method to deploy the opportunities and review findings to departments. As findings are made in one review, such as the CSF review, it can be passed to another review such as the Executive Team review, for action. Another method of deployment of review findings to staff are the TaitSubler planned implementation workshops of marketing strategy findings for development and marketing departments. These workshops are used to educate staff in how to apply new strategies in those areas. Gift processing, accounting, finance, and other departments participate in the internally led workshops and meetings.

We communicate results of reviews to our donors, suppliers, and partners through publication in the annual report, on the public website, in year-end and mid-year financial reports, and various meetings with TAMU staff. DODs align the needs of TAMU with the fundraising activities as they are housed in the colleges and are active participants in their management meetings. They are also instrumental in aligning information between the Foundation and donors, mainly through direct communication with the donors. Information and priority initiatives are shared between the Foundation and our partner organizations (AFS, and 12th Man Foundation) through data, reports, databases, the DSG, and other methods of information sharing such as one-on-one meetings, email, and direct mail.

4.2 Information and Knowledge Management

We use a state-of-the-art database and software applications that allows us to better manage the data and information required to run the organization. The Advance database software is licensed through Sungard Higher Education.

4.2a Data and Information Availability

4.2a(1) Make needed data and information available

Data and information is shared between the Foundation, its employees, partners, and suppliers in writing, electronically, and through personal contact as shown in *Figure 4.2A*.

These availability mechanisms are strategically designed to provide rapid access to information, frequent update, and to further our strategic directions such as greater technology use and to increase Foundation brand recognition and awareness of our mission. For example, we are placing advertisements and articles about donors and programs in specific publications such as A&M football programs, OPAS programs, *The Texas Aggie* magazine, *The 12th Man* magazine, the local community newspaper, the back cover of the TAMU campus telephone directory, and the *Southwest Wall Street Journal*.

Stakeholder	Method
Boards	TAMU Board of Regents receives bimonthly Regents Board Report. TAMUF Trustees receive quarterly update of Board Report.
Employees	Fnet (Policies, procedures, reports, forms, contact information, DOD weekly travel schedules, Events Calendar, CSF status) Software systems to manage TAMUF processes Training events Various reports to manage performance, e.g., campaign results and analysis for senior TAMUF staff and DODs and progress report
TAMU & Partners	Fnet (Reports, forms, contact information, DOD weekly travel schedules, and Events Calendar) Specific reports (e.g., monthly campaign leadership reports, *Spirit* quarterly campaign newsletter, Annual Report) Mid-year financial report (asset info, endowment investment performance, investment actions, income projections, services available) distributed to senior campus personnel and put on Fnet One-on-one stewardship exchanges (home visits, briefings, meetings, campaign events) Foundation Giving website (report of progress of assets, investments, disbursements, and financial achievements) Advertisements and articles in publications
Suppliers and Donors	Foundation Giving website (report of progress of assets, investments, disbursements, and financial achievements) One-on-one stewardship exchanges (home visits, briefings, meetings, campaign events) Advertisements and articles in publications Specific reports (e.g., monthly campaign leadership reports, *Spirit* quarterly campaign newsletter, Annual Report)
Donor and Prospects	"e-alerts" Direct mail, newsletters, letters with reply cards

Figure 4.2A – Methods to Make Information Available

The Foundation allows for flexibility in reporting formats and content to meet users and donors changing needs. This is done by creating reports with extra fields that can be filtered as the reports are run. For example, certain users may want to see all gifts by a specific donor, where others may want to see only Foundation or TAMU gifts and not AFS gifts. Documentation and cross training of policies and procedures within departments ensure continuity of reported and recorded data.

As the Foundation's donor base becomes younger and more Internet savvy, we are exploring new ways to transmit information. We are testing periodic "e-alerts" sent to the classmates of major gift donors announcing their gift. These emails allow us to track the number of hits to the article and other information about them. The Gift Planning department sends out direct mailings, two newsletters, and two letters per year to prospects. The reference website tracks information requests via a direct web address. Responses from mailings and websites identify segment and individual prospects.

Figure 4.2B depicts the structure of the IT systems we use to provide information to customers, suppliers, and employees. Our staff gains access to the majority of our applications through workstations. Terminal Server C allows a secure connection to the Foundation's network for users with specific needs (i.e., 12th Man). PaperClip is software to allow relevant documents to be scanned for employee and support personnel to reference such as gift processing batches, gift agreements, donor biographical information and correspondence, non-contributions, journal entries, and trust or annuity documents.

Users	Servers		Applications	Description
TAMF/TAMU, AFS, 12th Man	TS-A, TS-B, TS-C*	**Accessed through workstations**	Advance, Events	Donor and events database
TAMF, TAMU	TS-A, TS-C		PaperClip	Imaging software
TAMF, TAMU	TS-A, TS-C		Files	Network files
TAMF Accounting	Accounting		Fundware	Acctg software
TAMF	Blackberry		Blackberry	Wireless e-mail
TAMF/TAMU	Exchange		Outlook	E-mail server
TAMF	Antivirus		Norton Antivirus	Anti-virus SW
TAMF & AFS Programmers	RPT1, RPT2, RPT3		Advance, Events	Donor database reporting

**TS-C mirrors TS-A with additional security restrictions.*

Figure 4.2B – Information Technology System Format

4.2a(2) Ensure hardware and software are reliable

We ensure hardware and software are reliable, secure, and user friendly. We purchase hardware based on known performance, reputation of the manufacturer, and referrals. To ensure ongoing access, a limited number of spare components are kept on hand and servers are configured with redundant components to minimize downtime. Software is purchased from reputable vendors and is tested and evaluated before it is distributed to users. Examples are Microsoft Windows, Microsoft Office, and Adobe Acrobat. Testing prior to deployment of software also includes programs such as Advance, Fundware, and PaperClip. During the testing phase, major changes or new enhancements are noted and several groups are trained prior to organization-wide deployment.

When appropriate, training for new or enhanced hardware or software is conducted in small group sessions to facilitate user friendliness. Training is provided to new employees on login instructions for each application and for all applications. Quarterly training sessions address software applications and features that may not be fully utilized and regular e-mail newsletters are sent to each employee from the IS department addressing hot topics. Internal users access data from desktop workstations and servers are kept in a secured location. For security purposes, policies and procedures are in place to limit the installation of freeware and shareware. Passwords control access to all network resources. Using Microsoft's Active Directory, the local network and application logins allow access to all the resources on the workstation and access to specific network resources with the appropriate credentials. For outside users, Virtual Private Network (VPN) allows access to resources over a secure network.

For security, a Linux firewall and a Microsoft Internet Security & Acceleration Server (ISA) firewall have been implemented. While VPN allows remote access to the network, it also provides another layer of security to better control access to the network from outside the Hagler Center. Later this year, we are rolling out an Intrusion Detection System (IDS) to detect inappropriate activity on networks, thus signifying possible external attacks.

Our IS department consists of six employees - manager, webmaster, data analyst, development analyst, network administrator, and a computer specialist. This team is responsible for managing the reliability and security of our system. We partner with the AFS IT Department providing technical support and sharing equipment. Our mutual IS/IT departments meet weekly to share concerns and develop solutions. As a unique and innovative approach to supporting our systems, the network administrators for both organizations provide backup support in case one is absent or unavailable, ensuring full-time support of the system. Having each group's staff backup each other and share responsibilities keeps production flowing for both organizations.

4.2a(3) Ensure continued availability of information

Our disaster recovery plan ensures the continued availability of data and information in an emergency, whether an interruption of business, a physical disaster of the building, or an area-wide disaster. Restoration and recovery procedures are outlined in this plan. To minimize the loss of data, backups are performed nightly and a full backup tape is stored offsite weekly. Redundant servers minimize hardware downtime and disaster recovery. IS/IT units from both organizations can create a secondary connection to Advance for AFS employees through another server. This seamless resolution allows users continued access while any connection failure on the primary server is corrected. Both servers contain the critical software applications needed to serve both organizations. For the Advance donor database, three reporting and test servers operate for quality control checks. If the main donor database server becomes unavailable, one of these redundant systems can bring the donor database back online within two hours.

4.2a(4) Keep data and information availability current
Our five-year technology plan developed (*Figure 2.1A*) by IS staff and IS supervisors is updated annually to keep the information current. The plan defines hardware and software upgrades and replacements required to maintain our five-year workstation and three-year server replacement plans.

Software is upgraded as new versions are developed and tested, usually within one year of release. Applications accessed through a terminal server are immediately available after an upgrade. Key staff attend conferences to learn about new uses of our primary software applications. Employees receive formal or informal training on upgraded software.

We keep policies and procedures up-to-date by annual review and periodic updates. Conferences, web-based seminars, and manuals often lead to adding software modules to improve our processes. We recently benchmarked two other universities' donor foundations that use the Advance database application. Systems are kept current with technological changes through identification of changing needs in process design activities [6.1a(3) and 6.2a(3)]. We also use this self-assessment to evaluate and improve our data availability approaches.

4.2b Organizational Knowledge Management
The Foundation began its effort to manage organizational knowledge assets in 1994 with the implementation of the QC, Lead Teams, and process improvements. These efforts have continued and in 2003, we conducted an internal TAPE progress level assessment and identified improvement targets and related information regarding market segmentation and data for use in decision-making. We are now systematically collecting employee knowledge, lessons learned, and organizational expertise through TAPE category teams.

Approaches for day-to-day employee knowledge sharing include daily and quarterly meetings, QC, Lead Teams, Fnet, desk manuals, policy and procedures, help desk logs, DOD and employee training sessions, and email. Employees share knowledge gained at conferences with other employees.

The transfer of relevant knowledge to and from customers, suppliers, and partners is through periodic surveys, focus groups, publications and advertising, mid-year and year-end financial reports, Fnet, and our Giving website. In the past, the Foundation has hosted an annual training conference with TAMU SABAs/ABAs to review accounting policies and procedures. We now present twice a year with additional training for smaller groups of TAMU staff.

We use the IS help desk, Cody's Corner quarterly trainings and newsletters, supervisor and DOD meetings, and periodic training sessions to rapidly identify, share, and implement best practices throughout the organization. These practices are shared with the organization through these same approaches.

4.2c Data, Information, and Knowledge Quality
We assure the accuracy, integrity, and reliability of our data, information, and organizational knowledge in many ways such as those shown in *Figure 4.2C.*

Info. Factors	Deployment
Integrity	Rule-based; integrity checks; validation message pop-ups; QAS software for instant address validation; quarterly zip code table update for zip code validation
Timeliness	Scheduled periodic downloads; real-time query; report processing & generation; 100 MB switched LAN; University fiber link WAN; real-time access to donors' records through internal and remote network connectivity, required timelines are established for time-sensitive activities
Reliability	Data scrubbing; application use training (Advance, Events, Paperclip); data definition and interpretation through online policy & procedures; periodic user drop-down table values review, annual audit performed by PricewaterhouseCoopers for internal control practices
Security	Multiple levels of user authentication; virus and spyware protection; firewalls; redundancy in storage and server units; review network logs; Security Procedures and Technologies Team (SPATT) defines and implements procedures for securing data; independent security audit, signoff levels by TAMU and TAMUF admin, confidentially agreement for donor data at user logon, Fnet reports password protected
Accuracy	Relational databases; current network switches; utilize Ethernet standards; checks and balances thru report review, triple checking data entry, validations with pop-up error messages, nightly Integrity Check Report, balance of totals in Gift Processing and Accounting monthly, Review and check of financials
Confidentiality	User IDs; complex network passwords; confidentiality statement login notice for accessing donor database; SPATT is developing data encryption procedures; restricted user access levels
Cost/Benefit	Cost benefit analysis of data collection; analysis and reporting methodologies; shared resources with AFS; network administration/HW/SW uniformity; campus agreements for SW and HW purchases
Flexibility	Aggregate and departmental reporting; ad-hoc on demand reporting
Relevancy	Continuous review of data element value; obituary updates thru screenings; address updates thru self-reporting and return mail; review and de-activation of legacy codes due to changes in business practices
Simplicity	Standardized common software utilized throughout the organization; centralized terminal server access

Figure 4.2C – Methods to Assure Data, Information, and Organizational Knowledge

5: Human Resources Focus

5.1 Work Systems

We organize work systems to be dynamic, meeting the needs of the ever-changing organization. Work systems are designed to facilitate donor cultivation, gift solicitation, processing, investment, and disbursement while maintaining and fostering one-on-one relationships with our donors.

5.1a Organization and Management of Work

5.1a(1) Organize and manage work and jobs

Our work systems are designed to directly support the function of our key VCPs (*Figure 6.1A*) by grouping people with like skills and responsibilities into work teams. The system is designed, not around people, but around the steps in the process that link our donors to TAMU and its departments (*Figure 5.1A*). Therefore, one individual may have multiple responsibilities within the work system.

The Foundation and our employees achieve high performance through efficient design of workflow (processes), focus on action plans, and effective employee training and professional development. *Figure 5.1B* shows various activities that promote cooperation, initiative, empowerment, innovation, culture, agility, ability to achieve action plans, communicate effectively, and increase our ability to capitalize on diversity.

One important component of the work system is the QC, which is composed of representatives from all departments and two at-large members. Members are rotated every few years allowing participation and input at all levels to oversee our quality initiative. The QC ensures we work on projects that 1) add value, 2) are aligned with organizational objectives, and 3) will propel the organization forward. Quality initiatives and assignment of cross-functional teams expose employees at all levels to fundraising and asset management processes.

Activity	C	I	E	N	L	G	A	M	D
Dept Work Teams	X		X	X	X	X	X	X	X
Cross Training	X	X		X	X	X		X	
QC and Lead Teams	X	X	X	X	X		X	X	X
Regular meetings (*Fig. 4.1B*)	X			X	X	X	X	X	
Defined Work Procedures	X		X			X	X	X	
Incentive Compensation Plan	X	X		X	X		X	X	
Job Descriptions	X	X	X		X	X		X	
Employee Training (Orient.)		X			X		X	X	
Hiring Practices		X		X	X	X			X
CSFs		X	X	X			X	X	
Job Performance Review	X	X	X	X	X			X	
Info. & Comm. Technologies	X	X	X	X	X	X	X	X	
Employee Recognition	X	X	X	X	X			X	
Special Work Meetings	X	X	X	X	X		X	X	X
Special Celebrations	X				X			X	

C=Cooperation, I=Initiative, E=Empowerment, N=Innovation, L=Culture, G=Agility, A=Ability to achieve APs, M=Comm. & skill sharing, D=Diversity

Figure 5.1B – Activities to Promote Organizational Function

5.1a(2) Work systems capitalize on diverse employees

As shown in *Figure 5.1B*, many approaches are in place to allow us to capitalize on the organization's diversity – ethnic, age, gender, position, and skill type. Educational opportunities, work projects, and relationships provide increased cultural awareness and cause people to listen more attentively to others. Diversity training is described in 5.2a(2).

5.1a(3) Effective communication and skill sharing

*Figure 5.1*B outlines many methods used to achieve effective communication and skill sharing across work units. Information and communication technologies include imaging, which allows quick document viewing and report generation; Internet-based systems that allow off-site access; and laptop

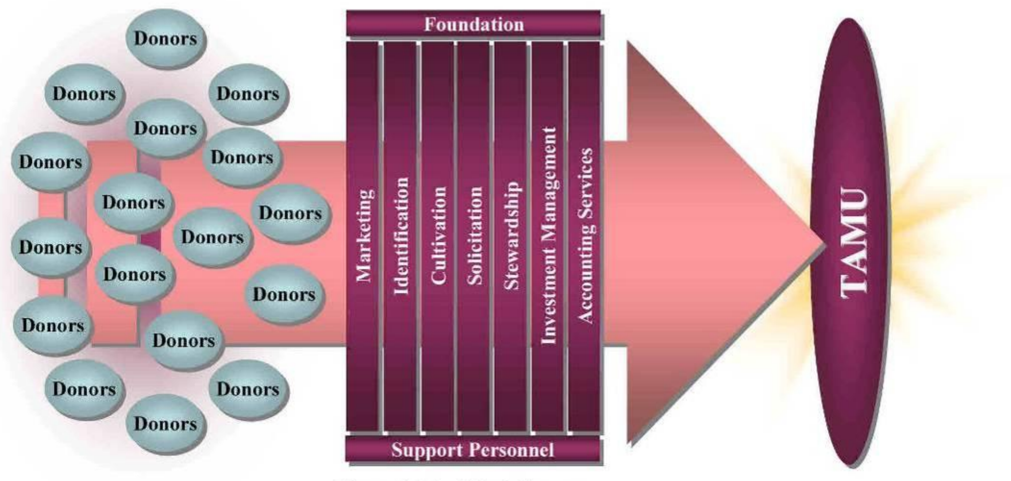


Figure 5.1A – Work System

computers, wireless e-mail, and cell phones, which allow employees to stay connected to their offices for accurate and fast retrieval of information.

Communication and skill sharing are enhanced through training and cross training to assist or substitute for one another, particularly in gift receipting where the daily processing of gifts is imperative.

5.1b Employee Performance Management

An employee with his/her supervisor evaluates individual progress and performance at least annually. The evaluation considers performance to goals, performance in organizational values, job responsibilities, and training. During this discussion, the supervisor makes recommendations for improvement and reviews an employee's request for training. This enables employees to continue development for promotional opportunities while providing an opportunity to implement training for process, technological, and/or work environment changes. The approach helps align responsibilities, reinforces desired outcomes and personal goals, and is very effective in promoting communication between supervisors and employees concerning process and individual performance for both parties.

Individuals receive a competitive compensation package benchmarked each year through a variety of salary surveys. Adjustments to wage bands ensure competitive wages, which aid employee retention. Our competitive benefit package represents 34% of gross salary and includes a generous pension plan.

The incentive compensation program shown in *Figure 5.1C* is an important component of our total compensation package. This program reinforces high performance and focuses attention on customers and organization success. This approach also aligns every employee to the success of the organization and builds teamwork as every employee receives the benefit when the entire organization accomplishes the four objectives.

Additional compensation and/or recognition are allocated to employees at all levels and positions as appropriate through the form of merit increases and formal and informal rewards and recognition shown in *Figure 5.1D*.

Incentive Compensation Funding Level				
Objective	**2.5% Threshold**	**5% Target**	**7.5% Excellent**	**10% Superior**
Contributions Growth (25%)	# = Avg of Last 5 Years	# + 5%	# + 10%	# + 15%
Investment Perform. (25%)	Benchmark (BM)	BM + 50 basis points	BM + 100 basis points	BM + 200 basis points
Growth in Gift Expect. (25%)	# = Avg of Last 5 Years	# + 10%	# + 20%	# + 30%
Performance in CSFs (25%)	70% completion	80% completion	90% completion	95% completion

Figure 5.1C – Foundation Incentive Compensation Plan

Types of Recognition	Who	Award Based on…	Freq
Incentive Compensation	All Staff	Achievement of specific goals set forth by the BOT	Ann
Star Awards	Various Staff	Peer nominated, anonymous committee selected for outstanding service, etc.	Qtly
Trustees' Awards	Two Employees	Peer nominated, anonymous committee recommended, BOT selected for applying creative concepts and improving performance/fundraising and promoting understanding of major gift fundraising and asset management services for TAMU.	Ann
Kudos	All/Any Staff	Any staff member may send "Kudos" to a fellow employee who has gone out of his/her way to assist with a project or task.	Any
Service Awards	Qualifying Staff	Leadership presents for individual's years of service (3-year, 5-year, 10-year, etc)	Ann
Lunch with BOT	New Hire	BOT invites new employees to attend lunch	Qtly
New hire lunches	New Hire	Supervisor conducts when new employee is hired	Hire
Farewell lunches	Departing Staff	Leadership conducts when the staff member is departing the Foundation	Exit

Figure 5.1D - Foundation Employee Reward Programs

5.1c Hiring and Career Progression

5.1c(1) Identify characteristics and skills needed

All positions have written job descriptions. Departmental and position responsibilities are reviewed upon changes in technology or functionality and with turnover to ensure alignment with action plans and organizational and departmental needs. Characteristics and skills needed by applicants are identified based on position requirements; input provided by peers, supervisors, and employees; internal and external customers; and review of industry standards. These inputs form the requirements for hiring.

5.1c(2) Recruit, hire, and retain new employees

We have a diverse applicant pool because we recruit on a national level for many positions through industry specific publications (e.g., Chronicle of Philanthropy); websites similar to Monster.com; search firms; recruiting letters sent to related professional organizations; and candidate referrals from current and former employees, business associates, and friends. We are moving toward a more active recruitment style with an evaluation of the hiring process scheduled this year. Our goal is to attract a diverse group of professional DODs with which donors can identify.

Supervisors are responsible for interviewing and hiring recommendations. Teams composed of senior development professionals and a TAMU faculty member interview and recommend finalists for DOD positions. The team's composition also promotes diversity. Interviews conducted by senior leadership during a day-long process allow the team to assess the candidates' energy, background, and capacity to fit the overall culture and ensure consensus on the hire. Reference checks are performed and a one-on-one meeting with the president occurs prior to extending an offer.

Employee retention is a high priority and begins on the first day of employment. Our structured orientation programs [5.2a(2)] facilitate the transition into our organization by introducing our culture, our priorities, and training for job success. New employees participate on teams for their valued opinions and new or diverse view, and to gain organizational knowledge. Our compensation and recognition (5.1b); training (5.2); family-friendly leave, benefits, and services [5.3b(2)]; and inclusion in the success of the organization through improvement efforts and teams [5.1a(1&2)] are all designed to support the needs of our staff and promote retention.

5.1c(3) Succession planning and career progression

The potential for significant leadership turnover in the next half-dozen years has led to various actions to address this concern and prepare for change. Our president has a formal succession plan with the BOT to ensure sustainability of leadership and direction. We have intensified the focus on employee development, leadership training, project involvement, and employee retention. Leaders informally mentor promising employees to increase the potential leadership pool. To provide further development and a safety net if needed, senior leaders share responsibilities and operate with a "second-in-command". All key position responsibilities are well documented to facilitate training of new leaders.

Career progression is provided through increased position and project responsibility, leadership development, managerial mentoring, and a hierarchy structure. Position descriptions are updated to reflect changing responsibilities and technology, which at times results in restructure and increased staffing. Employees are trained and cross-trained to assist or stand in for each other, thus enhancing personal development and organizational performance. Each staff member performs duties for at least one other position in the department. DODs take on additional development responsibilities when a vacancy or a special needs project arises.

Through the performance review and CSF process, supervisors challenge employees to find ways to improve the organization and to stretch their skills, allowing employees to learn at different paces and develop skills in which they have an interest. This approach also imparts institutional knowledge over time, provides mentoring and career development, allows better service to customers, and promotes smoother operations.

5.2 Employee Learning and Motivation

The Foundation establishes minimum education and experience criteria for each position based on knowledge and skills required to successfully perform a job. Supervisors along with their employees evaluate performance and training needs at least annually and budget accordingly. Employees identify training needed to further enhance their knowledge, skills, and capabilities assisting in career development plans.

5.2a Employee Education, Training, and Development

5.2a(1) Training contributes to action plans

Succinct strategic planning focuses training to support action plans. Departmental and individual goals developed in support of action plans include training requirements to support changes. CSFs, performance plans, and the outcome of improvement activities include training requirements. Examples include Excel and Word training for employees based on survey results, and training provided to Foundation and TAMU staff to support a Lead Team-recommended improvement resulting in online expense reporting.

As new products become available (such as charitable gift annuities) or changes in tax and regulatory issues arise (such as Sarbanes-Oxley) that require a review or change in operations, employee training is aligned to achieve desired goals.

Organization Performance Measurement: Performance measurement training occurs as part of the goal setting activities throughout the organization. Supervisors and employees assist in organization and department goal setting. Employees received group training on the incentive compensation program and the CSF establishment process. Supervisors also receive group performance management training and they continue to receive individual instruction and mentoring. For ease of access, the performance management process instructions and CSF results are provided on Fnet.

Organizational Performance Improvement: Our quality initiative began ten years ago and marked the beginning of our improvement culture. Every employee was trained in quality initiatives, strategies, and theories as we began our first self-assessment and embarked on our improvement journey. Employees received training on process improvements techniques, facilitation, and teamwork. Teams were provided material on how to systematically review processes. Team composition was carefully determined to incorporate seasoned team members with new employees to assist them with team dynamics and process review.

To advance to the next stage of our journey, we have embarked on the use of the Baldrige/TAPE assessment. Training and facilitation helped employees understand this assessment approach. Due to employee longevity, high participation rates, and our culture, ongoing training in performance improvement has been conducted through participation in teams and mentoring by seasoned team members.

Balance short- and longer-term objectives: Short-term needs for development are balanced against our longer-term objectives and individual employee needs through the performance evaluation approach described in 5.1b. During this review, employees and supervisors discuss all of these types of needs and create long- and short-term development plans providing each employee with the skills they will need.

Technological Change: As technological advances improve organizational efficiency and/or implement new products, training sessions ensure all individuals are taught to perform required tasks. One example is our document imaging implementation, which required organization-wide training. Training is also provided quarterly through a forum called "Cody's Corner", on various software uses and applications.

5.2a(2) Training addresses organizational needs

As noted previously, the Foundation has minimum education and experience criteria for each position based on knowledge and skills required to successfully perform related tasks.

New Employee Orientation: Our orientation program includes information in four categories: business orientation, operations and safety, personnel policies, and benefits. Employees are also provided an introduction to the quality initiative and encouraged to participate on teams and improvement efforts. We also conduct a semiannual, two-day Foundation overview that provides information on our history, governance, mission, and core values followed by department presentations. Managers introduce their staff and explain their department's role and significant contributions.

A separate three-day development training program is provided to all new DODs and includes: organization and TAMU overview, gift and proposal types, operating policies, sales techniques, terminology and product knowledge, gift receipting practices, and software training. Included are financial training, asset management, compliance and regulatory issues, policy review, and reinforcement of disbursement policies. To quickly elevate their competency level, new DODs are directed to attend a fundraising conference within the first year of employment.

Diversity: Title VII (non-discrimination) and Sexual Harassment Training is provided to all employees. This web-based program provides educational material on diversity and discrimination, then provides situational testing while recording employee responses. All employees must pass the test or retake training. Additional diversity training has included the TAMU MOSAIC program and a presentation on Title VII. In various other training courses and meetings, employees receive refreshers on behavior.

Ethical Business Practices: Supervisors provide employees with information about ethical business practices during their position training. The president also stresses ethical behavior during orientation and the quarterly All Staff meeting. DOD staff receive information about accounting and ethical practices during their specific development training program.

Management and Leadership Development: Supervisors attend the Supervisory Training Program, which provides topic-specific education on sexual harassment, interviewing skills, budgetary guidelines, and the gift processes. New supervisors are trained and mentored by their immediate supervisor for position expectations, Foundation practices, and project-sensitive timelines. A Supervisor's Group meets monthly to share information, exchange ideas and best practices, and mentor one another. We select two supervisors to attend the TAMU Leadership Institute each year.

Safety: During new employee orientation, employees are trained on proper procedures for building safety and emergency response. This information is reinforced through drills and disaster preparedness activities that were tested during the approach of hurricane Rita. Supervisors provide additional safety training appropriate to position, e.g., ergonomics is discussed with support personnel; driving safety is addressed with those whose job requires frequent driving.

Job Skills and Product Knowledge: Through ongoing development programs, employees are trained in job skills and product and service knowledge. The weekly DOD meetings provide a forum for information exchange, mentoring, sharing best practices, and creativity. Core DOD training is based on competency in defined job skills requirements. Employee computer skills training is determined based upon required system use and proficiency. We also educate support staff on products, enabling better support services to donors, development operations, and financial services. A variety of cross-training is conducted within departments to ensure uninterrupted operations and agility. Conferences and association meetings provide further opportunities for employees to keep current in job skills.

Continuing Education and Certifications: In addition to organized training and development, we provide flextime for employees working to further their education and provide funding and allocation of time for certifications.

5.2a(3) Employee input on training needs

The primary method for employees and supervisors to provide input to training needs is through the performance evaluation process (5.1b). During the strategic planning cycle, team leaders, supervisors, and committee chairs seek input from co-workers for future departmental and organizational projects and goals, which often include training needs. Oversight committees for a variety of cross-functional groups review plans and recommend training due to changes or deficiencies in operations. In addition, HR or executive staff may recommend topic-specific training. Leaders compile this information and forward recommendations and budgetary requirements to executive officers for consideration in the annual budget and planning cycle. Prioritization for implementation of training is determined during the budget cycle and no reasonable request has ever been denied.

Organizational learning and knowledge assets are formally and informally translated and incorporated into our training programs. When staff attend external training, information is shared when they return. Supervisors ensure organizational learning is incorporated into their departments and shared among staff and other units, as fitting. For example, our AVP for Gift Planning made a presentation explaining the Pension Protection Act of 2006 and how it affects gifts of IRAs.

Employees involved in new product implementation and displaying above average skills serve as training instructors. They serve as contacts for their co-workers, facilitating incorporation of organizational knowledge into our functions.

5.2a(4) Delivery of training and education

Training is delivered to staff through a number of methods to ensure that all learning styles are addressed. They include:

- Scheduled meetings with training on the agenda such as SABA/ABA bi-annual accounting meeting.
- Web-based training provided for ADP/Employease (HR software), Advance (donor system), Paperclip (imaging software), and Title VII.
- Classroom style business training for topics such as Ethics, Title VII, Diversity and Sexual Harassment, Supervisor Training, Accounting, Budgets, Hiring, etc.
- Series training, discussion, experience, and mentoring.
- Some self-paced training through review of forms and policies and procedures online.
- Most Internet-based software with training and help features allow immediate access when needed.
- Web-based and teleconference training.
- On- and off-site seminars provided by paid presenters, friends of the Foundation, and employees.

5.2a(5) Reinforce knowledge and skills on the job

Supervisors are the primary conduit of knowledge and skill reinforcement. As employees participate in training, supervisors monitor their attendance, their application of knowledge and learned skills, and ultimately evaluate the effectiveness of the training through process and individual performance improvement through their performance evaluation.

Other organizational information transfer occurs through documented procedures and processes, which retain the knowledge for long-term organizational use. To assist with knowledge transfer and cross-training, many positions have desk- or operations manuals. We retain organizational knowledge about our donors and prospective donors through inclusion of documentation steps in the Development cycle. Information about donors and the contacts made with them is input on Advance and is valuable for knowledge transfer.

Departing employees generally provide sufficient notice so that tasks can be reallocated and historical knowledge distributed to others; spreading workload and reducing disruptions. Management and development positions have regularly scheduled information exchange meetings and when an upcoming employee departure is anticipated, additional meetings are scheduled as required.

5.2a(6) Evaluate effectiveness of training

Training effectiveness is evaluated primarily by supervisors through the performance evaluation process. After training has occurred, supervisors observe performance improvements or ask customers to comment on process results. The information is used to mark improvements in the annual performance evaluation or to identify the need for more/different training.

Training that facilitates change or improves performance is also evaluated through measurement of changed behaviors. For example, Fidelity reported that the pension website was underutilized by employees for managing their 401(a) plan. Participants were provided the opportunity for one-on-one meetings to assist them in logging on for the first time. Site utilization is now at 85% compared to voice response (8%) or customer assisted (7%) and access is attributed to the training.

5.2b Motivation and Career Development

Ongoing learning and career development is a part of our culture. Through deployment of our values, goals, and CSFs, employees understand the expectations of them for ongoing development. We motivate employees to develop by making training and development opportunities convenient and relevant through delivery approaches (conferences or onsite), and by adding development as a CSF or personal goal. This makes it a condition for incentive pay and/or promotion.

Goal setting is another avenue to implement or encourage development, challenging and stretching an individual's comfort zone, if necessary, to further organizational development. Depending on the change, a mandatory use or a gradual phase-in, a deadline is established with appropriate training to assist with adaptation.

5.3 Employee Well-Being and Satisfaction

Service and People is one of our core values. In our efforts to attract and recruit quality employees to provide superb service, we recognize that they will always be our most important asset. To retain these employees, we provide a safe work environment that is conducive to high productivity and a work climate that contributes to the well-being, satisfaction, and motivation of our employees.

5.3a Work Environment

5.3a(1) Health, safety, security, and ergonomics

We pride ourselves on our safe work environment, housing central office employees in a facility that was designed based on interviews with employees. *Figure P.1D* outlines the key health, safety, and security issues of our employee base. There are numerous approaches for managing these issues including furniture, equipment, training, facilities, and an on-site building manager, who walks the premises daily managing potential health or safety problems. Our Disaster Recovery Team has historically served as a representative sample of the employee base that identifies and addresses security and safety issues. As a cycle of improvement, we have initiated an action to split safety from disaster preparedness and are forming a team to specifically address safety issues.

Security features are in place throughout the building to address emergencies. Safety features include computerized entry, fire sprinklers, and monitored airflow. Safety is comparable at the three regional locations and in the college units providing secure entry and safe campus environments.

Insurance inspections and fire drills are performed at regular intervals, and building security training is provided. The Foundation has a favorable NCCI rating (claims paid to claims anticipated) due to low workers' compensation claims.

5.3a(2) Workplace preparedness

Workplace preparedness is addressed through the Disaster Recovery Plans of the Foundation and the TC. These plans provide guidance in the event of an emergency in a variety of scenarios for immediate response activation, communications, and reestablishing business operations on a temporary basis until employee safety and permanent operations are evaluated.

The 12-member Disaster Recovery Team represents each department and several subcommittees and representatives from every level of the organization. The team developed the Disaster Recovery Plan, maintains and reviews it, and conducts periodic procedural testing, as does the TC with its plan. Both plans guide first responders and business restoration personnel. Our Crisis Communications Plan outlines appropriate procedures in specific public relations situations and is incorporated into the recovery plan.

5.3b Employee Support and Satisfaction

5.3b(1) Determine key factors that affect employees

As a small organization, we directly communicate with our employees to ask them what things affect their satisfaction. We also seek guidance from professionals to assist us in making strategic decisions affecting benefits. We rely heavily on external sources of human resource research into motivation to provide information about employee needs and satisfiers. As a cycle of improvement, we are evaluating our approach to determination of employee satisfaction and well-being factors.

5.3b(2) Employee services, benefits, and policies

Employee space is comfortable and conducive to high productivity. Our family-friendly and diverse environment is supported through extensive and varied leave policies. We provide a benefit package equal to 34% of an employee's gross salary, including employee paid 401(a) contribution, paid medical, dental, long-term disability, and life/AD&D insurance. There is access to additional insurance coverage at group rates and services such as flu shots.

To help employees manage healthier life styles and attain a work-family balance, we provide flextime, a generous holiday schedule, and paid leave. Paid sick leave is accrued monthly, without annual limitation or carryover. Employee surveys were used internally to seek award and service input and externally for trending and seeking better benefits.

5.3b(3) Employee well-being and satisfaction

One key method to determine employee well-being and satisfaction is through our open door policy, where leadership gains input from employees for improving the work place.

Other methods to determine satisfaction and motivation are turnover (*Figure 7.4H*), longevity (*Figure 7.4I*), grievances, applicant volume, referrals, performance, training records, achievement of compensation goals, and comments during exit interviews (*Figure 7.4M*). To evaluate the level of health and well-being, we use absenteeism (*Figure 7.4J*), workers' compensation claims (*Figure 7.4K*).

Based on review of these data, recommendations for improvement are made and may include additional staff, process changes, additional training, and/or reassignment with priority given to those directly supporting key business factors.

5.3b(4) Relate employee satisfaction to business results

Because we focus on meeting the needs of employees, they focus on their jobs and often exceed position requirements for the betterment of the organization. Our value of employee input creates a climate where employees are motivated to evaluate and streamline their processes without sacrificing output. Pride is instilled in the output because the employee was involved in developing the process. Quality of work is enhanced, production cost is lowered, and the result increases business results. As an example, employees reviewed the paper-based distribution of accounting statements. Their recommendation was to go paperless. As a result, account holders now have web access to their information and the revised statement delivery process has reduced costs, eliminated work, and increased delivery of accurate information. Yet, just as important was the outcome of instilling pride in those involved in developing the process.

6.1 Value Creation Processes

One of our core values is "Performance Excellence", which guides our efforts to be the best by valuing continuous improvement, innovation, leadership, and accountability. Our defined processes and systematic approaches ensure our success in serving donors and TAMU.

6.1a Value Creation Processes

6.1a(1) Key value creation processes

There are two key functions/processes called out in our mission that we refer to as value creation processes (VCPs); major gift fundraising and asset management. Fundraising is made up of four sub-processes (donor **identification**, **cultivation**, **solicitation**, and **stewardship).** Asset management also has sub-processes **(accounting services** and **investment management**). These VCPs are shown in *Figure 6.1A* along with their requirements, key measures, and external inputs to manage them. In addition, we have four key business processes as shown in *Figure 6.1B*.

We determined these were our key processes because they directly align to our mission and the mission and priorities of our key customer partner, TAMU. We validated this analysis through the experience of other university-focused fundraising and asset management organizations. These processes are increasingly important and their monitoring and ongoing improvements are critical given the strategic challenges (see *Figure 2.2A*) faced by TAMU and the Foundation (i.e., increasing demands for private funds, changing nature of our alumni donor base, and resource constraints).

All these processes for creating or adding value contribute to our profitability and business success. They create a pool of satisfied, repeat major donors who are knowledgeable and committed philanthropists and share TAMU's commitment to

Processes	Requirements of Process	In/End-of-Process Measures	Customer, Supplier, Partner Input
Key VCP – Major Gift Fundraising	*General in-process measures include 1) % of DOD available time traveled, 2) # DOD significant contact reports filed, 3) #DOD proposals delivered, 4) % DOD GFR remaining, and 5) DOD attendance at Monday coordination meetings*		
Identification (ID potential donors based on financial capacity and TAMU connection)	- Breadth of search scope - Validation of identified potential donors by Foundation research team - DOD face-to-face visits	- # of newly identified potential donors requiring evaluation visits - # of newly identified potential donors visited	- 3rd party & TAMUF research - Fund raising consultants - Donor and class agents referrals - Other TAMU Fund Raisers/DSG - Current corporate donor referrals
Cultivation (build relationships to determine commitment, capacity	- Determine donor's interest - Determine appropriate solicitation time/approach - Retain contact with donor - Develop relationships	- # active major potential donors on DOD coordination list - Avg gift capacity of major potential donors on DOD list - # of Contact Reports filed	- Dean/DOD/Donor personal visits - Corporate relations staff contacts with corporations and private foundation - Donors communicate gift objectives
Solicitation (develop a proposal to capture donor's intent and inspire)	- Accurate reflection of donor desires/abilities in proposal - Ongoing relationship development	- $ & # of proposals delivered - Total $/pledges in the door - Total of gift expectancies - Avg time to close a gift	- Donor proposals - Intellectual contributions from students and faculty - Financial capital from donors
Stewardship (ongoing relationships and update about donor's impact)	- Relationship building with student and faculty beneficiaries of gifts - Donor participation in Foundation events	- # potential repeat donors active on a DOD coord list - # of new potential donor referrals from previous donors on DOD coordination list - # of event participants	- Letters from endowed faculty & scholarship students to donors - Foundation events where donors meet beneficiaries of their gifts - Unit publications/events which showcase beneficiaries/impact
Key VCP – Endowment Asset Management			
Investment management (asset allocation, mgr selection and perf monitoring)	- Add value to the portfolio - Balance risk for investment portfolio strategy/ diversification - Select approp. Investm Firm	- Total return, net of fees, meets or exceeds 6% (5% to accounts, 1% to Foundation) plus inflation over the long cycle - Purchasing power parity	- New investment opportunities from research and consultants - Ident of new investm managers - Donor communications of trust in success of the organization
Accounting services (gift processing, account administration, financial reporting)	- Prompt and accurate deposits - Prompt and appropriate disbursmt of funds - Prompt receipting - Prompt & complete filings - Audit findings	- Deposits on-time and accurate - Disbursement of funds on-time and to intended areas - Receipting within 3-5 days - Filings on-time and accurate - Timely audits and # findings	- GAAP and regulatory agency input - Discussions with other foundations - Fundraising software - Prompt and accurate information to decision-makers

Figure 6.1A – Key VCP Processes, Requirements, Measures and Inputs

Processes	Requirements of Process	In/End-of-Process Measures	Customer, Supplier, Partner Input
Business Processes			
Marketing (processes to inform donors on The Foundation's mission, campaign goals, and identity)	- Timely and effective promotions / campaigns - Marketing materials in line with marketing strategy - Understanding of donor base - Measures that allow refining of message/medium	- # Response cards, phone calls, emails requesting info. - Increased donations	- Marketing firm advising - Donor feedback about message - Donor gift planning information on types of planned gifts - Donor comments (via website, reply cards, publications, phone calls, discussions)
Partner Management (Develop/maintain clear communic and relationships btwn TAMU, TAMUF, and donors)	- All maintain focus and commitment to Vision 2020 - Open communications - Clear expectations of responsibilities -Frequent contact -Participation by all parties	- Progress toward Vision 2020 -TAMU/college satisfaction -Donor comments -Successfully completed DOD/Fdn/donor visits -Attendance at events -Donor satisfaction surveys	- DSG coordination of priorities - TAMU input about priorities - Donor gift directions -TAMU input about their activities -Donor evaluations through survey -Donor ideas (comments/questions)
Unit Review (UR) (Semi-annual review of status of potential $1M+ donors to develop action plans)	- Maintain momentum on largest potential gifts - Provide practical action plans to pursue large gifts - Benefit from several minds, perspectives, out-of-the-box	- Contact reports - Length of time on coordination list without a solicitation - Length of time from solicitation to closure	- Donor directions & current needs - TAMU input about priorities
Donor Coordination (DC) (Coordinate contacts of the various fund raising groups at TAMU – DSG)	- Coordinated donors contacts - Allocation of contacts for greatest TAMU benefit - Avoid sending conflicting messages to potential donors	- Absence of potential major donor conflicts among DODs - Absence of complaining major potential donors - "Released" contacts to 12th man - Attendance at DOD meeting	- DSG input to donor contact - Shared information on contact reports with other TAMU fund raisers

Figure 6.1B – Key Business Processes, Requirements, and Measures

academic excellence. They assure the financial integrity of the assets entrusted to us. These processes contribute to the sustainability of the organization through ensuring ongoing financial assets to support the needs of our customer partner, TAMU, and our operations. These processes are sustainable themselves as they are documented through procedures; therefore, consistent and repeatable. Training is also available for many of these processes to ensure continuity.

6.1a(2) Value creation process requirements

At the highest level, all of our value creation processes hold the same requirements. They must focus on 1) raising major gifts; 2) developing relationships between potential major donors, deans, DODs, and key faculty; 3) raising the sights of potential major donors, exciting them with a larger vision; and 4) providing potential major donors with ennobling, enriching experiences. The processes must also stress 1) the priorities of Vision 2020 (input from customer partner), 2) the fiscal integrity of the Foundation, 3) the close coordination of potential major donor involvement among DODs, and 4) the integrity and professionalism of all Foundation staff.

At a specific product/service level, *Figure 6.1A & B* outline the requirements of the key value creation processes. These requirements are determined through the listening and learning approaches described in *Figure 3.1A*, and through input from suppliers, partners, regulatory agencies, and internal operational needs shown in *Figure 6.1A & B*. Suppliers and vendors are included in the value creation processes to ensure appropriate understanding of the requirements. For example, suppliers who provide input to the fundraising VCPs are consultants or special product providers. The main suppliers for investment management are our consultants and investment managers who provide historical data, new ideas, and new investments in the market.

6.1a(3) Design value creation processes

The set of VCPs and business processes have been selected and positioned to constitute the design process for the flow of a donor through the system, therefore, taken together, these processes make up our design process *(Figure 6.1C)*. Because of this, the design approach is created to meet the key requirements for each process shown in *Figure 6.1A & B*. First, fundraising priorities are identified through the Partner Management process and are distributed among fundraising entities through Donor Coordination. Then, Marketing generates interest within our target markets. The design of the approach to obtain funds from a donor takes place through the fundraising steps (Identification, Cultivation, Solicitation, and Stewardship). Gifts are accepted and managed according to donor wishes through Accounting Services. Funds are managed through Investment Management to bring greater value to the gift over time.

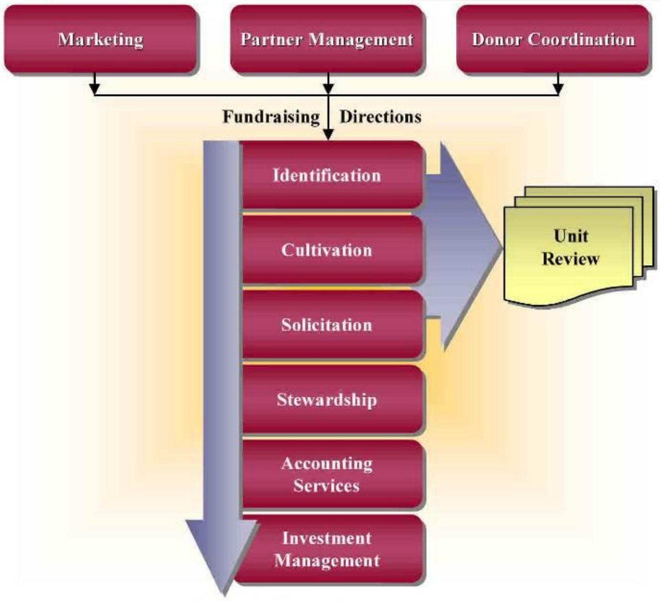


Figure 6.1C – Design Process

New technology is incorporated into the design of processes as we continuously investigate technology [2.1a(2)] for these processes. Staff bring new technology opportunities to our attention and CSFs evaluate and implement them. In this way, we identified P!N and Blackbaud as viable opportunities for researching potential markets.

Organizational knowledge is incorporated into the design of processes through the involvement of key employees in each step of the process and through ongoing sharing and training. DODs and other SMEs manage these processes and regularly share their progress and experiences during weekly and monthly meetings. Organizational knowledge is then included into the design documentation of a process through inclusion in documentation of procedures, addition to forms and computer systems that drive the process, and through training for accomplishment of the process.

Processes are designed to be agile to provide the ability to tailor the approach to meet the needs of individual potential major donors and to adjust to meet the many variables that do not lend themselves to a linear standard process. The relationship model requires that DODs be flexible in their processes to know when to move the relationship forward and when to wait. They are assisted through numerous reviews to ensure that key donor opportunities are moving forward.

Cycle time, productivity, cost control, and other operational efficiencies are incorporated into the design of processes through cycles of review and monitoring in each stage. The Unit Review is used to monitor and improve cycle time, productivity, and cost control. DOD and other staff meetings also focus on status to planned performance to ensure cycle time is improved over time. Review of measures of progress at these meetings is part of the design to manage and improve cycle time and productivity. This includes progress toward meeting or beating national benchmarks for time from potential donor identification to gift closing (18 months), or pledges in the door, etc. We improve productivity in VCPs during investment reviews. Changes are made to assure cost control and other efficiency and effectiveness factors for all processes based on reviews and input from meetings.

To ensure that implementation of design meets requirements, we have assigned specific DODs to the relationship with a donor from start to closure. They coordinate through frequent meetings and communications with staff in downstream processes to ensure donors receive a transparent transition to Accounting Services and other processes. Handoffs and clear process flow are outlined through our extensive written policies and procedures available online to all employees. Training is provided when changes occur to processes.

6.1a(4) Value creation process performance measures
The key in-process and end-of-process performance measures and indicators used for the control and improvement of VCPs and business processes are shown in *Figures 6.1A & B*.

Day-to-day operations for all value creation processes are managed primarily through close adherence to internal controls, which are documented within policies and procedures stored on FNET and desk manuals. Adherence to these internal controls occurs through common forms and computer screens (such as contact reports or gift forms) that are designed to ensure the process meets requirements. Another method to ensure processes meet requirements is through monitoring measures and progress to requirements such as those in *Figure 6.1A & B* during reviews that provide oversight (*Figure 4.1B*).

Customers, suppliers, partners, and regulatory agencies offer significant input to these processes to manage them as noted in *Figure 6.1A & B*. Customer input is gathered through the various methods described in *Figure 3.1A*. Supplier input is gathered during process execution for key suppliers such as fundraising and marketing consultants or investment managers. Other vendors provide input through visits and product upgrades. The DSG is one key method for input from our customer partner and other fundraising partners for TAMU. The University president and the DSG keep the focus on the Vision 2020 priorities and major donor coordination.

6.1a(5) Minimize cost of value creation inspections
Overall costs associated with inspections, tests, and process or performance audits are minimized through approaches designed to identify errors early in the process, thus reducing the impact of inspections and the cost of rework. An example of this is the error checking mechanisms for reports described in 4.2c. Defined procedures and approaches reduce variability and defects as well. Providing budgeted staff counsel encourages accuracy and precision in staff response to questions from co-workers, donors, and stakeholders and reduces the high cost of mistakes in regulatory compliance.

Another key method to minimize cost of audits is by managing our processes to be "audit-ready". Paper trails and requisite reporting are developed as part of the process, thus reducing the preparation required for audits and inspections. This system of internal controls also reduces costs for identifying and recovering from defects. We meet with external auditors to provide them with work flow charts, policies, and procedures to enable them to work more efficiently.

6.1a(6) Improve value creation processes
The leadership and BOT's dedication to continuous quality improvement is evidenced by the initiation of the QC, Lead Teams, process and quality improvement training, CSFs, and performance evaluations with individualized goal setting.

The incentive compensation program and the identification of CSFs foster innovation and encourage the improvement of processes. During the preparation of the CSFs for the upcoming year, supervisors discuss ideas with staff to identify potential actions for improvement or redesign. Improvements may also come from the annual review of policies and procedures, tracking ongoing metrics, or a technology advancement. Improvements for efficiency also come from attending conferences, training, retreats, reading, and discussions with similar organizations. This TAPE assessment provides input for improvement of organizational systems.

Opportunities for improvement are discussed in reviews such as the QC, DODs, Supervisor Group, or BOT. Once the benefit of improvements has been determined, opportunities may be assigned to Lead Teams, work groups, or an individual for action through performance plans, assignments, or CSFs.

Improvements and lessons learned are shared with other divisions through cross training, internal training, supervisors' meetings, and procedures available on the intranet. We hold various internal training sessions including supervisor training, Cody's Corner, Monday DOD meetings, and DOD retreats. Leaders also share improvements and changes to processes that affect the whole organization during the all-staff meeting.

6.2 Support Processes and Operational Planning
Our key support processes are those that facilitate the systematic deployment of the key VCPs. They are defined and held to the same quality standard and excellence as the VCPs and business processes. Understanding that these processes are as important as the VCPs and business processes drives us to continuously improve our efficiency and effectiveness, which is an important competitive success factor.

6.2a Support Processes
6.2a(1) Key support processes
The five key support processes are shown in *Figure 6.2A* along with their requirements, measures, and input sources.

These support processes were selected as key because they represent the processes most important to support the VCPs and are central to staff carrying out daily operations. The key support processes are linked to each other and with the VCPs as they contribute to accomplishment of our overall mission.

6.2a(2) Support process requirements
Requirements for key support processes are shown in *Figure 6.2A*. In determining these requirements, we consider budget limitations, regulatory requirements, professional needs, and requests from internal customers, along with ensuring consistency with organizational goals. Inputs used to set requirements come from internal and external customers, suppliers, partners, and regulatory agencies (*Figure 6.2A*).

6.2a(3) Design support processes
Key support processes are designed through our process documentation activities during which processes are evaluated and improved as needed. Process documentation (standards and procedures) is stored on FNET for easy access and use. These policies are reviewed annually by the SVP for Administration and Operations and, as required, changes are made and approved by the Executive Staff. For FNET information, IS staff drives procedure updates annually.

As a recurring issue or change is identified, we evaluate our policies to see if the issue is addressed within the policy. If it is not, we make modifications using the following approach.

1) The issue/change is identified (through attendance at conferences, literature, notification, tracking performance)
2) Policies and procedures are reviewed to determine if they address this issue. If so, affected employees are trained.
3) If changes to the policy and procedure are required, we document those changes.
4) In some cases, changes are piloted to ensure accuracy.
5) Changes to policies and procedures are presented to the executive committee for approval.

As an example, we continue to monitor changes in expense reimbursements allowed by the IRS through attendance at not-for-profit conferences or through tax updates. When changes occur, we modify appropriate policies and standards and submit the changes to the executive committee. HR and IS have similar regulatory issues or recurring problems that they monitor and update policies as needed.

Support Process	Requirements	Key Measures	Input/Feedback
Human Resources (Recruiting, hiring, training and motivating staff including benefits and compensation and performance management and safety)	- Adequate applicant pool - Effective hiring practices - Employee opportunity - Well-trained employees - Timely performance feedback - Safe / healthy employees - Regulatory compliance	- # qualified applicants - Time to fill positions - Turnover w/in 1 year - Internal promotions - Employee learning - Evals completed on-time - Employee health / safety - Regulatory issues	- Regulatory requirements—IRS, ERISA, TWC - CSFs - Employee performance reviews
Information Services (Manage systems for fundraising and investment management, ensure requisite information to do job)	- Timely, reliable, accurate - Cost effectiveness - Responsiveness - Remain current with technological advances	- Track It help desk reports - Software improvements - Hardware improvements - Budget variances	- Staff requests - CSFs - Budget limitations - IT supplier info on requirements / limitations
Legal (Business and HR legal support to allow staff to provide their best service to donors, stakeholders and our staff)	- Regulatory and ethical compliance - Currency and accuracy of policies & procedures - Training on policies - Standardization	- Non-compliances - Resolved complaints - Cost of utilization of outside legal services - Absence or inadequacy of policies / procedures	- Board & staff requests - Regulatory requirements - CSFs - Donor complaint/ litigation - Request for interpretation or exception to forms
Trust Company (Managing accounts which ultimately benefit the Foundation by acting as trustee of charitable trusts and agent in managing annuities, provide donor contact, send checks)	- Make trust distributions to beneficiaries on time - Investment review of all trusts - File tax returns on time - Annual statements on time - Record fiduciary activity on trust accounting system	- # and amt disbursements to beneficiaries - # of accounts / assets under management - Additional contributions to existing accounts (repeat customers)	- Regulatory requirements—IRS, trust provisions, State Banking Commission - CSFs - Donor Desires - Beneficiary expectations
Real Estate (Identify and inspect potential property, market and/or manage real estate and mineral interests, manage and improve. of day-to-day facility ops	- Efficient operations - Accurate inspections - Effective grounds management - Regulatory compliance	- # and $ of props received - # and $ of properties sold - # and $ of potential props - Deviation from budget - Marketing budget perform - Safety & reg compliance	- Regulatory requirements—IRS, local zoning, EPA - CSFs - Donor's desire to give

Figure 6.2A – Support Processes, Requirements, Measures, and Inputs

As with VCPs, new technologies for support processes are identified through regular external scanning and implemented through CSFs or teams. An example is the Lead Team that automated the leave tracking process in 2004 based on discussions with a foundation that used a specific application.

Organizational knowledge is incorporated into the design of support processes by having SMEs and key employees working on teams and in training. Organizational knowledge is then included into the documentation of the process.

The need for agility is addressed in processes that require flexibility by designing those processes to systematize decision making appropriately. Another approach to create agility in processes is through carefully documenting procedures to manage the process (such as forms and computer screens), which allows for cross training of others to fill in on the job.

Cycle time, productivity, and cost control are considered in the design of processes by establishing standards for performance. For example, budgets represent standards for performance in cost control that departments are expected to manage. Cycle-time is included in standards for things like hiring and response by IS to requests. Efficiency and effectiveness are always key considerations in support process improvement efforts. For example, our travel expense reporting went from a paper system to an Internet reporting system. This provides more accurate, timely, and more efficient travel reports.

To ensure processes meet requirements, we use the same team to implement the process as designs the process. This ensures continuity of knowledge in the implementation. When new processes are implemented, we may go through beta testing to ensure it performs as expected. For example, before we implemented the new travel expense reporting system, we used a pilot group to use the program real time before we fully implemented the system.

6.2a(4) Support process performance measures

Key performance measures or indicators used to control and improve of our support processes are shown in *Figure 6.2A*. As with VCPs, the day-to-day operations of support processes are managed primarily through common forms and computer screens. Various internal controls, policies, and procedures are used to help manage processes to regulatory and legal requirements. Processes are also managed through monitoring measures such as those shown in *Figure 6.2A*, which also indicate whether requirements are being met. Internal and external customers, suppliers, partners, and external regulatory agencies provide information to manage these processes.

6.2a(5) Minimize cost of support inspections

Overall costs associated with inspections, tests, and audits are minimized through automation, which makes information readily available for reporting, and through standardization to identify issues early in the process before they become costly mistakes. Preliminary planning meetings with the external audit team allow preparation of audit schedules and gathering of needed information before their arrival. The TC uses this same procedure for their annual state examination.

Standardization of processes through forms and computer screens provides a method to minimize defects. The roles of technology and the internal control processes offer an added ability to pay attention to detail and to avoid costly errors.

6.2a(6) Improve support processes

Opportunities for improvement are identified through a number of methods. We use process analysis and research through committees, staff meetings, and our continuous improvement culture. Functions conduct ongoing updates to their processes through analysis and research such as the annual salary comparison that leads to updates to the compensation program. IS annually reviews software, hardware needs of departments and people.

The QC provides a forum for continuous improvement. We benchmark ourselves against other similar organizations, attend conferences, and investigate new support tools. User groups, peer groups, and best practices are tools that may bring new ideas to the forefront. Involvement in this TAPE self-assessment activity helps us to identify areas for improvement.

As improvements are identified they are addressed either through the QC who may sponsor a Lead Teams, or other leadership meetings such as the Supervisor Group meeting. These groups recommend improvement through process and quality improvement training, performance evaluations with individualized goal setting, procedure modification, or a CSF. The incentive compensation program and the identification of CSFs are designed to encourage the improvement of processes.

Improvements and lessons learned are shared with other divisions through cross training, internal training, supervisors' meetings, and procedures. Internal training opportunities are used to transfer organizational knowledge and improvements, as are regularly scheduled meetings such as weekly department meetings or monthly staff meetings.

6.2b Operational Planning

6.2b(1) Ensure adequate financial resources

We ensure there are adequate financial resources to support operations via our planning and budgeting processes. The budgeting process begins in March as each department head reviews current budget, makes adjustments for future needs and plans, and submits a budget proposal to the executive committee for review. The executive committee aligns budget requests to organizational priorities and approved initiatives.

Assessing the financial risks associated with current business operation and major new business investments is accomplished by analysis of the cost/benefit and gathering information. Our expert investment managers provide input to leaders that allow them to make timely decisions. Our investment committee and BOT meet quarterly to review such opportunities. The Foundation portfolio has a planned mix that is rebalanced as necessary. Various market formulas are maintained to ensure we are able to assess and mitigate financial risks.

6.2b(2) Continuity of operations in emergency

We plan for continuity of operations by having a diversified portfolio mix, a diversified and cross-trained staff, good data backups, and a current disaster recovery plan that addresses any physical disaster and business interruption.

The Disaster Recovery Committee is responsible for the disaster recovery plan and was formed in 1993. Since 9/11, the committee has taken on serious revisions and updates. As one of the CSFs in 2005, a scheduled major review and revision was completed and several committee members attended training on plan development and implementation. The plan provides for damage assessment, recovery planning, plan implementation, and rebuilding, as well as documented procedures with response teams and guidelines in all areas of disaster response and recovery. Additional information regarding the continued availability of data, information, software and hardware is provided in 4.2a(3) and human resources emergency planning is discussed in 5.3a(2).

In the fall of 2002, the TC was required by the Texas State Department of Banking to conduct a disaster recovery drill. TC staff simulated a local area disaster and went through a comprehensive procedure in which a new computer was purchased, IS staff worked with TC staff to install all computer applications and data backups, and ultimately, all computer applications were made operational on the new system.

Annual fire drills are conducted under the watchful eye of TAMU officials with floor monitors who check their areas to be sure staff exit quickly and doors are closed. When we first moved into the Hagler Building, initial fire drills did not include the floor monitors closing doors. This requirement was added as a result of drills, reviews, and cycles of improvement.

7.1 Product and Service Outcomes

Our business results are an outcome of the quality of planning, customer service, internal processes and the people that operate within the Foundation.

7.1a Product and Service Results

Our focus business results are the four key measures embedded in the annual incentive compensation performance system (*Figure 7.4E*). These results serve to gauge performance in:

- product and service (the outcome of what we do),
- customer and stakeholder satisfaction (donors satisfaction and trust are reflected in the amount and frequency of their gifts),
- financial performance (gifts are financial in nature with a small percentage supporting our operations), and
- process performance (the processes are designed to gather and manage gifts).

These key plans and measures include the gift dollars raised (*Figure 7.1A*), growth in gift expectancies (future gifts) (*Figure 7.1B*), the performance of the long-term investment pool (*Figure 7.1C & 7.1D*), and achievement of CSFs by employees (*Figure 7.6A*). Gift dollars raised are in *Figure 7.1A*. The benchmarks are set as a percent above previous year performance. Our performance has far exceeded even the 10% benchmark for the last two years. Comparative performance for all of the TAMU fundraising organizations (not just the Foundation) to our top benchmarks is shown in *Figure 7.3M*.

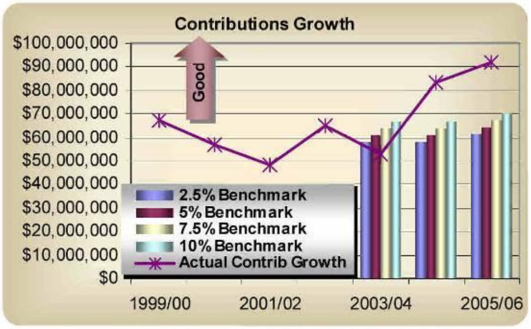


Figure 7.1A – New Gift Dollars (Contributions)

Growth in gift expectancies (*Figure 7.1B*) shows similar results for the 04/05 and 05/06 fiscal years. The 06/07 results are year-to-date totals only and are anticipated to meet expectations.

Performance of the long-term investment pool is shown in *Figure 7.1C*. Each year's performance exceeds even the 10% benchmark of the prior year, demonstrating the effectiveness of our approaches to asset management. Investment performance is also demonstrated in *Figure 7.1D* with comparison to our own university system, the Permanent University Fund (UTIMCO), which provides support to the University, the Cambridge University study median performers, and the best-in-class benchmark, which are the Cambridge University top 25% investment performers. Our performance compares favorably to all benchmarks, particularly over the longer term of investment.

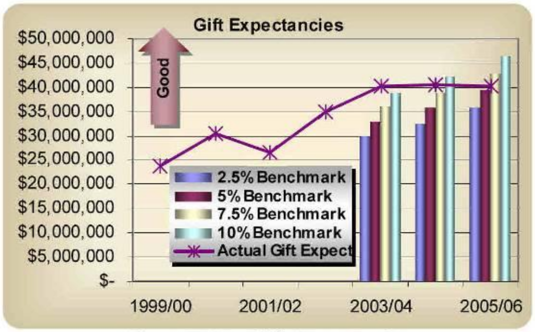


Figure 7.1B – Gift Expectancies

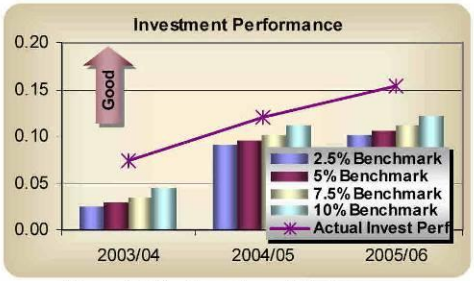


Figure 7.1C – Investment Performance

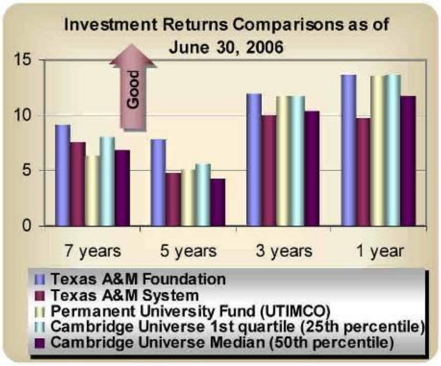


Figure 7.1D – Investment Returns

Our donor base is made up of alumni and backers (which we call individuals), corporations, and foundations. We track and monitor gifts from each of these segments as shown in *Figure 7.1E*. This chart shows TAMF and TAMU contributions only.

Figure 7.1F shows comparison of giving by corporations to the results of other UFFO organization institutions. Similar results are available for the other donor segments. The spike in 2003 in both charts (*Figure 7.1E* and *7.1F*) was due to having contributions of a few very large, one-time gifts. Without these gifts the trend line would show a consistent growth.

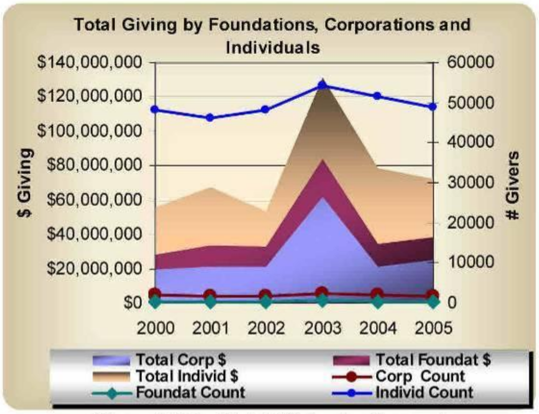


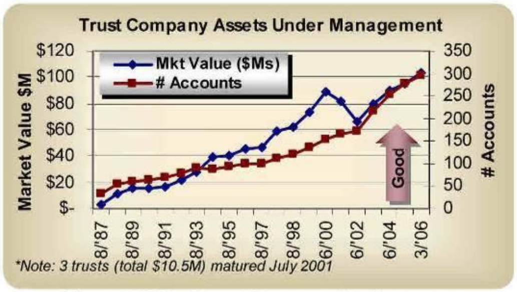
Figure 7.1E – Total Giving by Segment

		2003	2004	2005
1	Ohio State U	$68,128,282	$72,839,062	$75,014,644
2	U of CA - San Fran	N/A	N/A	$74,946,195
3	U of Minnesota	$75,154,044	$73,925,933	$70,417,114
4	U of Washington	$65,330,731	$48,302,659	$65,154,318
5	Indiana U	$61,997,369	$78,476,000	$61,754,768
6	Purdue U	$33,672,163	$54,380,259	$58,187,099
7	NC State U -Raleigh	$62,789,691	$73,554,047	$54,810,480
8	U of Utah	$36,186,257	$40,132,922	$53,117,183
9	Arizona State U	$29,760,620	N/A	$48,370,955
10	U of California- LA	$38,141,412	$43,353,524	$46,729,834
11	Texas A&M	$56,193,426	$25,701,835	$45,353,485
12	U. of Texas	$27,229,346	$59,404,130	$40,699,675
13	Pennsylvania State U	$50,343,767	$38,154,596	$34,459,763
14	Georgia Inst of Techn	N/A	N/A	$33,708,102
15	U of Wisconsin	$32,457,734	$30,030,946	$32,193,827

Figure 7.1F – Corporate Giving to Universities

Performance of the assets under management in the Trust Company is another measure demonstrating product and process performance (asset management). *Figure 7.1G* shows those results, which include two estates, 152 gift annuities, 110 charitable unitrusts, ten charitable trusts, 15 annuity trusts, and five other trusts and agency accounts.

The change in assets under management from 2000 to 2002 are attributable to: 1) maturation of three large trusts with the amounts then transferred to the Foundation, and 2) the dramatic decline in financial market performance in 2002.



Note: 3 trusts (total $10.5M) matured July 2001

Figure 7.1G – Trust Company Performance

Figure 7.1H demonstrates the results of the service that we provide to TAMU, which is to solicit, manage, and distribute funds for their benefit to meet their Vision 2020 goals. Of the endowed funds that we manage each year, approximately 5% are distributed to TAMU and approximately 1% is used to finance our own operations. At the continuing 5% payout rate, our contribution to the University has increased every year since 2002. Our payout to the University of 5% is considered comparatively very high. Compared to other UFFO foundations, we rank second in payout levels as shown in *Figure 7.1I.*

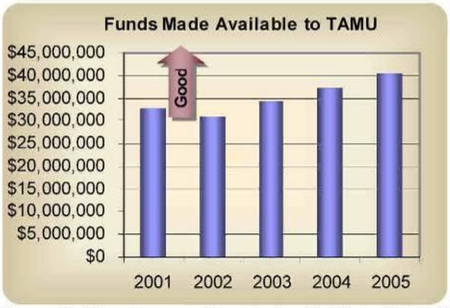


Figure 7.1H – Average Funds Available to TAMU

We also monitor attendance at events especially designed for donors and prospective donors such as attendance at the Legacy/Heritage Society functions. Year-over-year growth is not normally expected as it is subject to many variables such as the vagaries of the economy, calendaring, etc. Despite this, Legacy membership has grown from 260 when started in 1989, to over 1400 in 2005 (*Figure 7.1J*). Actual attendance at the Legacy event is in *Figure 7.2C*.

UFFO Payout To Participants	
1. Penn State University	5.20%
2. Indiana Univ. Foundation	5.00%
3. Texas A&M Foundation	5.00%
4. Univ. Of Iowa Foundation	5.00%
5. Univ. Of Oklahoma	5.00%
6. Ku Endowment	4.90%
7. Univ. Of Wisconsin Foundation	4.75%
8. Univ. Of Illinois	4.75%
9. Iowa State Univ. Foundation	4.63%
10. Purdue Research Foundation	4.50%
11. Texas Tech	4.50%
12. Univ. Of Nebraska Foundation	4.50%
13. Kansas State Univ.	4.00%
14. Oklahoma St. Univ. Foundation	4.00%
15. Univ. Of Arizona Foundation	4.00%
16. Arizona State University	4.00%

Figure 7.1I – UFFO Payout to Participants

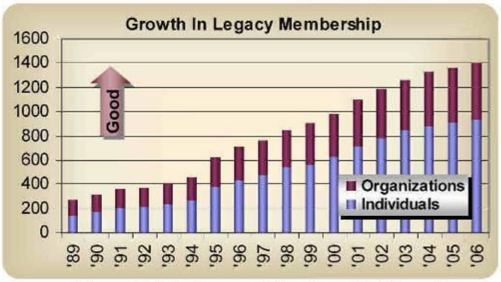


Figure 7.1J – Legacy Membership Growth

7.2 Customer-Focused Results
Satisfaction of Foundation donors is highly dependent upon the relationship they develop with our DODs and the opportunities they have for contact with other Foundation employees. Indicators of satisfaction with those relationships are included in the incentive compensation plan for gift dollars raised (*Figure 7.1A*), growth in gift expectancies (representing future gifts) (*Figure 7.1B*), the performance of the long term investment pool (*Figure 7.1C & 7.1D*) and the achievement of CSFs (*Figure 7.6A*). This Item provides additional results of formal and informal donor satisfaction and loyalty measures.

7.2a Customer Focused Results
7.2a(1) Customer satisfaction
In 2005 we contracted a professional external consultant to conduct a customer satisfaction survey. The results of this survey are shown in *Figure 7.2A*. While satisfaction ratings were very high in all areas of the survey, the results provided areas for improvement, particularly in the area of receiving regular reports from their gift beneficiaries.

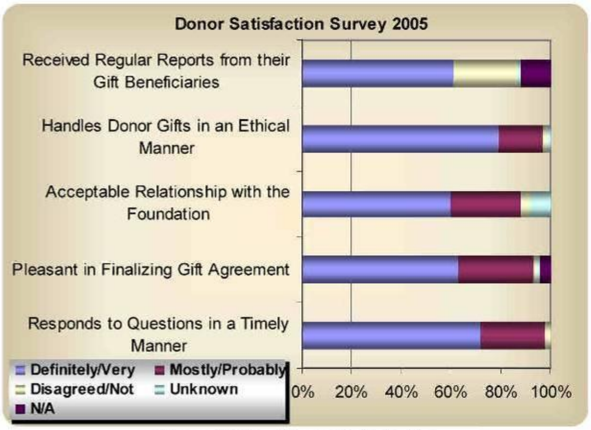


Figure 7.2A – Donor Satisfaction

As part of donor satisfaction determination we monitor new donor rate. DOD contacts are converted to donors only as they become comfortable with us and our service. Our ability to satisfy them has resulted in sustained high levels of new donors each year (*Figure 7.2B*). Major gift donors ($25K and higher) tend to make gifts in relation to their "feeling of wealth", thus the comparison of the level of the S&P to individual giving levels is shown for comparison purposes.

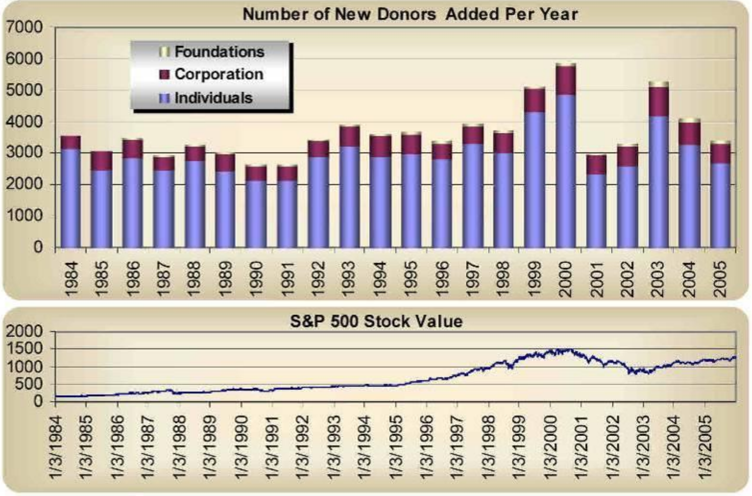


Figure 7.2B – New Donors by Year

Membership of donors in Legacy and Heritage Society has grown as shown in *Figure 7.1J*, and as an indicator of donor satisfaction, these members continue to attend events that honor them as seen in *Figure 7.2C*. Growth in number of participants at these events is evaluated as an indicator of donor continued satisfaction.

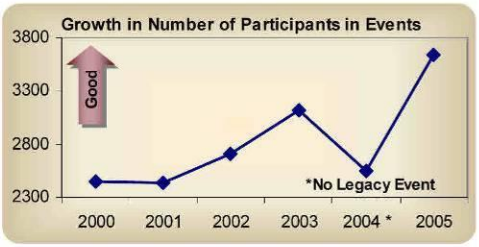


Figure 7.2C – Event Participation

While often an indicator of economics or other influences, the evaluation of gift write-offs can be seen as an indication of dissatisfaction because, as satisfaction and loyalty increase, donors are more likely to follow through with their commitments to the Foundation. Results of pledge write-offs are shown in *Figure 7.2D*.

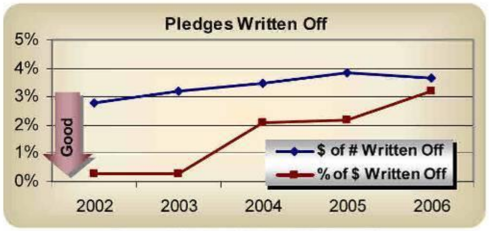


Figure 7.2D – Pledge Write-offs

7.2a(2) Customer Perceived Value

Donor perception of value is evaluated through loyalty and repeat gifts. As described throughout this application, our donor base is in the midst of a large shift, which requires changes in our approaches to inspire loyalty and perceived value. At the most base level, the number of alumni has grown significantly (*Figure 7.2F*), which provides a greater base of prospects. This requires more DODs as indicated in the figure. We are in the process of ramping up this employee base to meet this need (see *Figure 7.4C*).

Results of Tait Subler Study about TAMUF Donors
Main Reasons for Donating - Helps support A&M's academic programs (32%, 129)
Texas A&M and You - I know A&M's mission (28%, 124)
Texas A&M and You - I owe most of my success to A&M (21%, 78)
Texas A&M and You - 49% Visit A&M multiple times/year
Donation Preferences:
In general, I much prefer making a donation where I can control how the money is to be used (directed giving) (35%, 212)
I would be more interested in making a donation that adds to an existing endowment vs. giving to an annual fund (agree 49%, 148)
I believe that naming an institution as a beneficiary in my will is an important part of the legacy I will leave behind (agree 42%, 120)
I want to make a difference through a donation that will directly impact the life of a student (29%, 148)
I feel a great sense of accomplishment being in a position to donate to A&M (28%, 87)
Texas A&M Donation Profile
• 27% Largest gift $100 or less (Index = 112)
• 19% Annual giving more than $4000 (Index = 110)
• 16% (with will) Name A&M in will (Index = 129)
• 63% Bronze Century Club members (Index = 101)

Figure 7.2E – Tait Subler Donor Study

Satisfaction levels of our stakeholder, TAMU, are determined through ongoing, almost daily contact through meetings and conversations with various levels and areas of the University. Our increasing levels of payout to them (*Figures 7.1H & I*) and our increasing levels of investment performance (*Figures 7.1C & D*) both address TAMU's direct requirements of us. As dissatisfaction begins to be seen through conversations and meetings, those issues are resolved at once, before they become concerns.

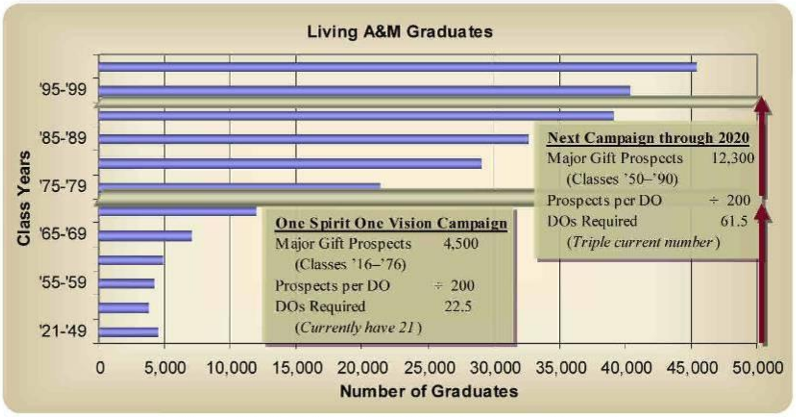


Figure 7.2F – Living A&M Graduates per Campaign

To identify the changing needs of this prospective donor base, we hired the Tait Subler group to assist us in a large marketing study. The results helped us to identify our future donors as "Directed Futurists" who are interested in directing where they want their donations to be applied, and who are more interested in helping Texas A&M advance into the future rather than preserve the past. Various results of this study that lead to increasing loyalty in this donor base are shown in *Figure 7.2F*.

A joint study conducted in 2004 by Rutgers University and Marts & Lundy with a number of public research institutions found that in a group of nine institutions, the average overall donor retention rate was about 65%, and that TAMU had approximately 12,000 five-year consecutive donors. The study analyzed 19 years of data for those nine institutions and showed that TAMU had a higher five-year loyalty rate as seen in *Figure 7.2G*.

Loyal Over 5-year Period	
TAMU	35%
Average Institution	28%

Figure 7.2G – Loyalty

Another indicator of loyalty is repeat gifts from donors. *Figure 7.2H* shows the results of repeat gifts and pledges to date of our current donors. The figure illustrates that a number of our satisfied donors, especially those who have corporate matching gift programs, make multiple gifts over a lifetime.

A Gift Annuity is a contract under which we (in return for a transfer of cash, marketable securities, or other assets) agree to pay a fixed amount of money to the donor for their lifetime, not a term of years. The gift then becomes part of our assets. Repeat gift annuities are instances where donors enter into multiple agreements. Results in *Figure 7.2I* show that, while donors who give only one gift annuity tend to give larger annuities ($104K), those who give more of them have a higher average value per donor (they give more).

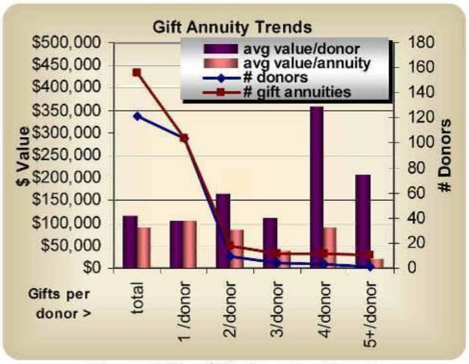


Figure 7.2I – Gift Annuity Trends

Because Foundation events are a key indicator of satisfaction (*Figure 7.2C*), repeat attendance is an indicator of loyalty (*Figure 7.2J*). Note that 2006 events are year-to-date and do not reflect a decrease in attendance.

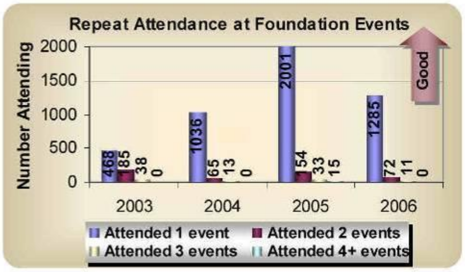
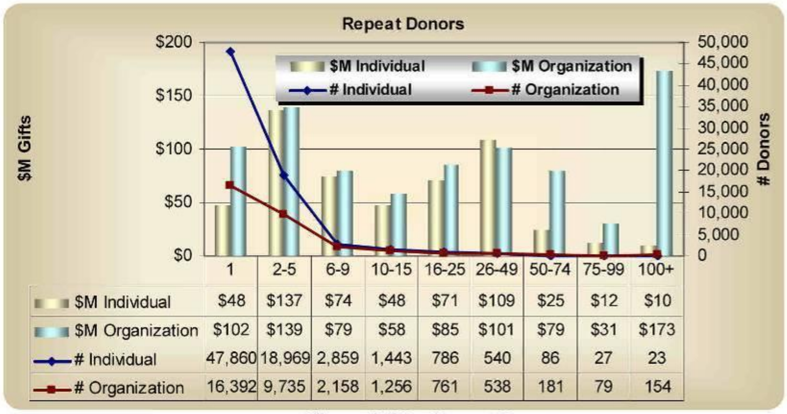


Figure 7.2J – Repeat Attendance at Events



	1	2-5	6-9	10-15	16-25	26-49	50-74	75-99	100+
$M Individual	$48	$137	$74	$48	$71	$109	$25	$12	$10
$M Organization	$102	$139	$79	$58	$85	$101	$79	$31	$173
# Individual	47,860	18,969	2,859	1,443	786	540	86	27	23
# Organization	16,392	9,735	2,158	1,256	761	538	181	79	154

Figure 7.2H – Repeat Donors

7.3 Financial and Market Results

We evaluate our financial and market results from two aspects. First, we are in the fundraising and asset management business. Therefore, we closely monitor our performance in those areas as described in Item 7.1, product and service results. We also monitor and control our own operational efficiency through measures of our financial performance to budget. Those results are shown in this Item.

7.3a Financial & Market Results

7.3a(1) Financial Performance

On the first side of financial and market results, we monitor our performance in fundraising, asset management, and disbursements to TAMU. *Figure 7.3A* shows that, despite market fluctuations and variations due to our environment, we've had ongoing improvement trends here since 1972.

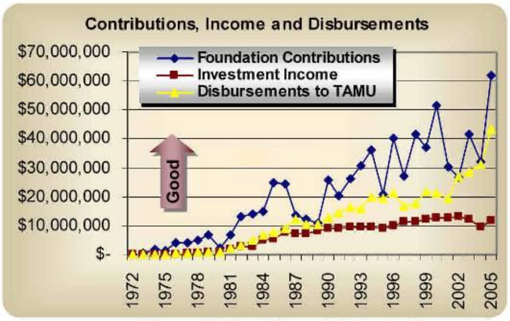


Figure 7.3A – Financial Analysis

Figure 7.3B shows the performance of our financial performance in terms of revenue and cost of operations. Revenue consists of investment income, management fees, collected development fees, and miscellaneous income. Cost of operations includes wages, accounting and gift processing, and capital campaign costs. Other expenses include the incentive compensation program, depreciation, etc.

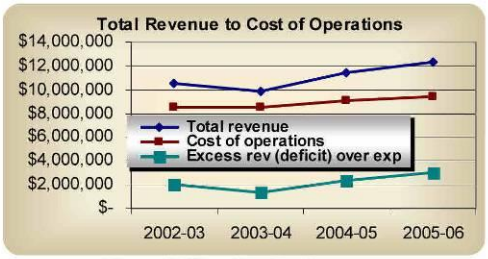


Figure 7.3B – Cost Performance

Our total budget is in excess of $10M, which puts us among the top 15 UFFO foundations in the country (*Figure 7.3C*).

Performance to meeting budget shows good financial management over time with a very low variance to expected budget, remaining under 10% (*Figure 7.3D*).

Figure 7.3E demonstrates our financial management in terms of total expense to total revenues over five years and the cost per dollar raised – a key measure of operational efficiency.

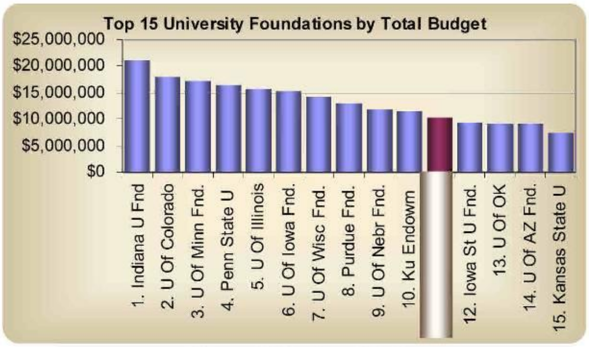


Figure 7.3C – Total Budget

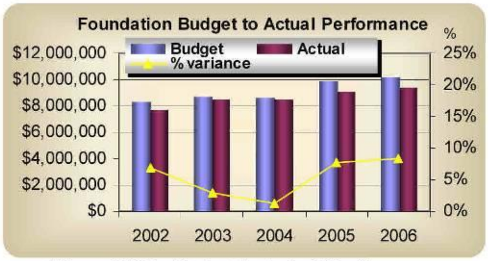
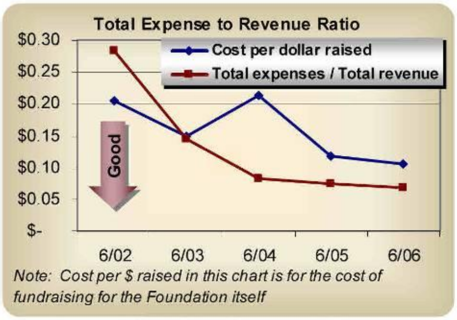


Figure 7.3D – Budget to Actual Performance



Note: Cost per $ raised in this chart is for the cost of fundraising for the Foundation itself

Figure 7.3E – Total Expense to Revenue

This efficiency can also be seen in *Figure 7.3F*, cost per dollar raised compared to top UFFO organizations. This figure represents the efficiency of all of the fundraising organizations in TAMU. TAMU's 5-cent cost is matched only by the University of Arizona fundraising organization making us the industry leader in efficiency.

TAMF operates effectively with one of the lowest levels of university support that is received to manage operations out of the UFFO foundations (*Figure 7.3G*). This has driven efficiency and effectiveness into our systems.

The effectiveness of our fundraising investment performance is seen in *Figure 7.3H* with Return on Investment. TAMF has the highest return rate in the UFFO organizations with 2,068%.

7: Business Results

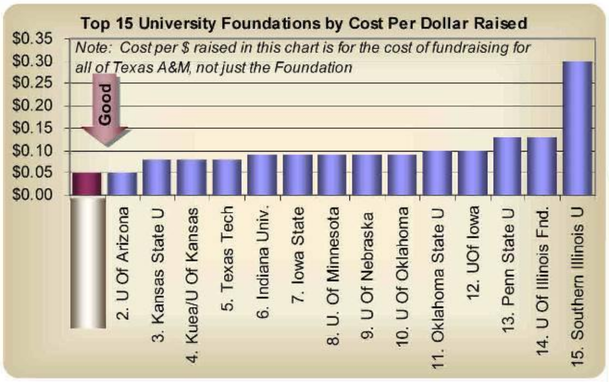


Figure 7.3F – Cost per Dollar Raised

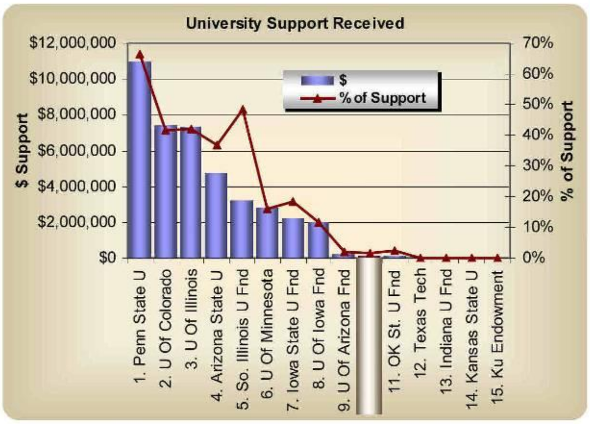


Figure 7.3G – University Support Received

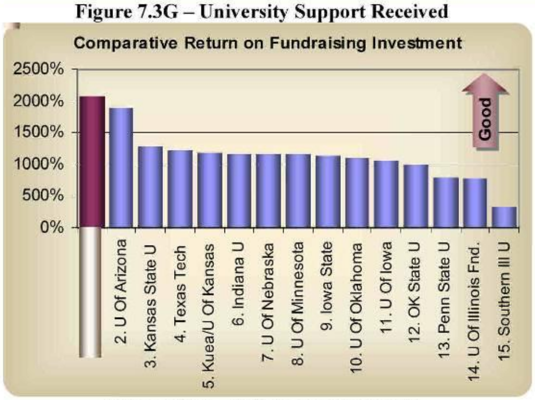


Figure 7.3H – Return on Investment

We also rate first in the nation in UFFO organizations for total amount of fundraising as a percent of education and general budget (*Figure 7.3I*). Education and general budget is the total budget of the institution devoted to its principal mission of teaching and service. It excludes things like athletics, food service, etc.

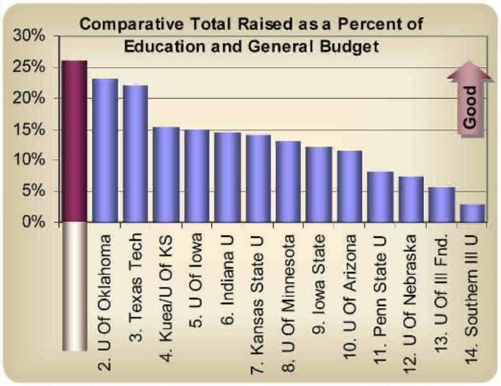
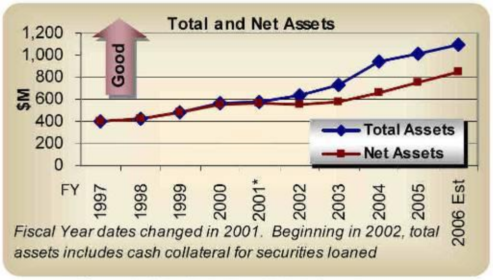


Figure 7.3I – Total Raised as a Percent of Budget

Figure 7.3J illustrates the results of management of our total and net assets. Beginning in 2002, total assets include cash collateral for securities loaned. We have experienced continuous year-over-year growth in this important measure. This is a fundamental measure of our success as a fund raising organization as it represents the funds we raise.



Fiscal Year dates changed in 2001. Beginning in 2002, total assets includes cash collateral for securities loaned

Figure 7.3J – Total and Net Assets

In order to maintain a cushion for economic slowdowns and unforeseen events, we commit resources to our operating reserve (*Figure 7.3K*) each year, much as a savings account.

This is particularly important to us as we receive little support from any organization other than ourselves.

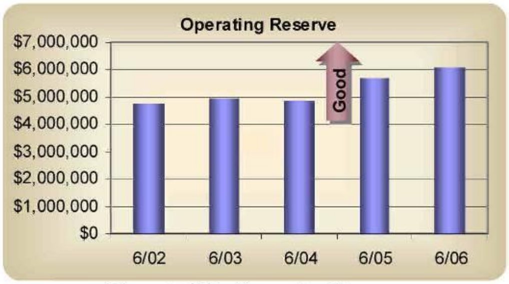


Figure 7.3K – Operating Reserve

7.3a(2) Marketplace Performance
Figure 7.3L shows the market share that TAMU has of living graduates who are donors. The figure also demonstrates the percent of all TAMU donors who are Foundation donors (internal market share).

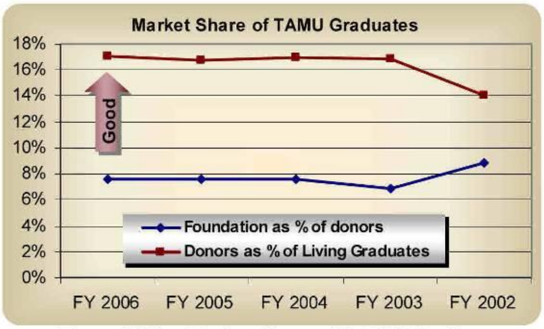


Figure 7.3L – Market Share of TAMU Graduates

While market share of all fundraising performance is not possible to obtain due to the vast number of fundraising organizations, we do gain an understanding of our position in fundraising compared to the top performing UFFO organizations (*Figure 7.3M*). These funding amounts include TAMF and other TAMU fund raising organizations. We have consistently performed in the top 10 positions e.

UFFO Top 10 Foundations	2003 Pos	2003	2004 Pos	2004	2005 Pos	2005
U of Wisc-Madison	1	$286,914,546	1	$260,976,384	1	$595,215,891
Indiana U	2	$249,988,250	2	$248,458,068	2	$301,060,946
U of Minnesota	3	$244,851,272	3	$245,682,841	3	$265,498,507
Purdue U	7	$103,444,991	4	$166,241,791	4	$183,672,193
Texas A&M U	6	$142,310,178	7	$103,540,061	5	$144,482,782
Penn State U	5	$181,314,385	5	$148,463,526	6	$127,196,367
U of Arizona	4	$185,430,260	8	$101,050,120	7	$121,056,869
U of Oklahoma	11	$87,614,265	9	$98,252,292	8	$115,324,695
U of Kansas	12	$86,056,710	10	$90,170,260	9	$111,413,835
U of Iowa	14	$47,364,799	12	$85,979,856	10	$100,012,966

Figure 7.3M – UFFO Comparative Giving (Relative Market Share)

Figure 7.3N shows comparative giving relative to regional university foundations rather than nationally. As of 2005, our dollar share has exceeded that of University of Texas.

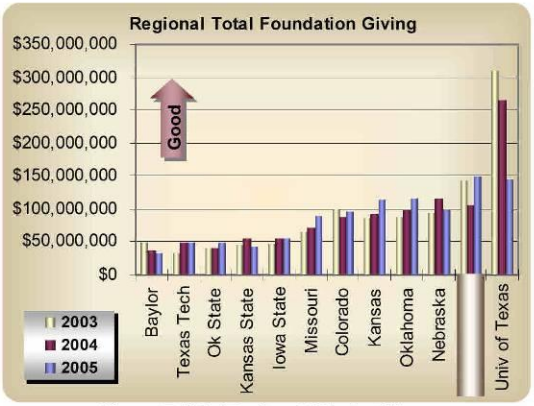


Figure 7.3N – Regional Market Share

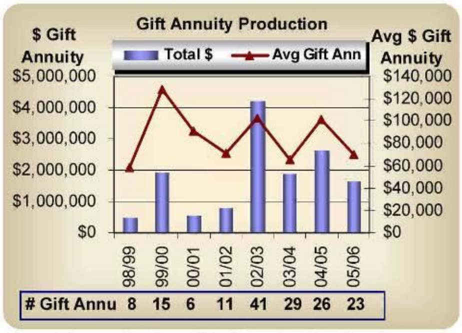


Figure 7.3O – Gift Annuity Production

In 1998, we began to offer a new "product" to our older donor base called a "Gift Annuity". As described, this is a financial gift given by a donor in exchange for a regular payment of money for their lifetime. A portion of the annuity payments are considered to be a partial tax-free return of the donor's gift, which are spread in equal payments over the life expectancy of the donor. *Figure 7.3O* reflects the number of new gift annuities transacted to date.

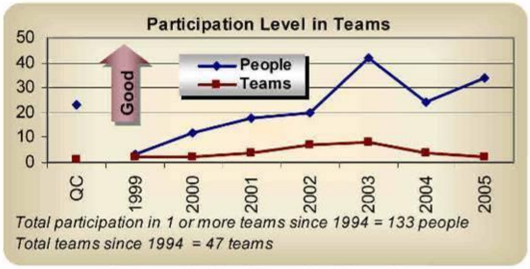
7.4 Human Resource Results

Four of our core values relate to the importance of our people, *"Service and People", Leadership", "Teamwork",* and *"Relationship Building".* Our people are our most important asset and we value them and their contribution to our success.

7.4a Human Resource Results

7.4a(1) Work System Performance

Teams are an important part of our culture of participation and our work system. Teams are used as the method for work in departments and in Lead Teams alike. Every employee is a member of their department team. In addition, many are members of the Quality Council and/or various Lead Teams as shown in *Figure 7.4A*.



Total participation in 1 or more teams since 1994 = 133 people
Total teams since 1994 = 47 teams

Figure 7.4A – Team Participation

Figure 7.4B shows the level of longevity of our staff, which provides us with great continuity in dealing with our donor customers. It also demonstrates the effectiveness of our work system, which leads to high employee satisfaction.

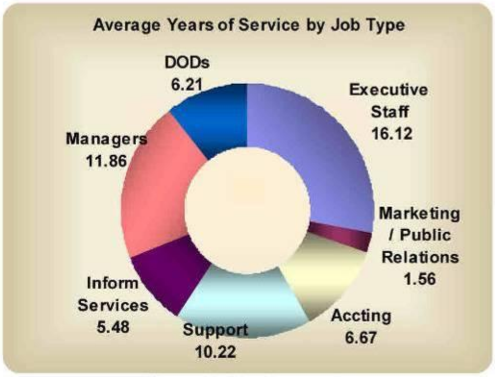


Figure 7.4B – Longevity

Appropriate staffing levels are important to the effective functioning of our organization. As we have grown we have been able to add positions to the organization each year as shown in *Figure 7.4C*. Many of these positions were a result of the marketing study we conducted showing the need to increase the DOD workforce. We opened up eight new positions in FY2004/2005, which we are ramping up to according to our annual plan for staffing levels.

	Positions Added	Vacant DOD Positions
FY01-02	0	0
FY02-03	0	2
FY03-04	1	3
FY04-05	8	8
FY05-06	-1	2
FY06-07	1	2

Figure 7.4C – Positions Added

As described in 5.1b, we address retention of employees through providing great benefits and a competitive salary. Our merit increase program is designed to reward high-performing employees. *Figure 7.4D* shows the trend in the percent of employees receiving merit increases. (Can you tell me why the spike in 2003 in just one short sentence about the length of this comment?)

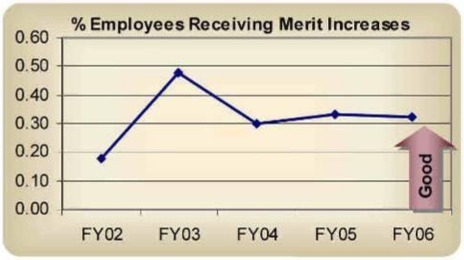


Figure 7.4D – Merit Increases

Our incentive compensation program however, is our primary vehicle to align all employees to the directions of the organization. The payout of this program is dependent upon the entire organization attaining its performance goals therefore; it supports our team based environment. Funds for this program come from unrestricted funds and are budgeted at the beginning of each fiscal year. *Figure 7.4E* shows the level of payout versus available over five years.

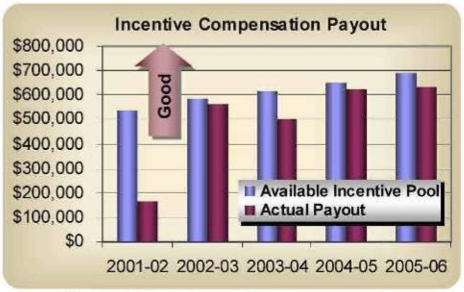


Figure 7.4E – Incentive Compensation

7.4a(2) Learning and Development Results

All employees are expected to continue their professional development throughout their career. Specific training requirements are outlined for each job position to enable ongoing career growth. *Figure 7.4F* shows a sample of the attendance in training for employees in the DOD position throughout 2005 and 2006.

2005	Training Topic	I/E	# DODs
01/09/05	Gift & Estate Planning Facts / Figures	I	17
01/23/05	x-Training Science	I	14
01/30/05	Focus of Cultivation time (Jaedicke)	I	15
02/06/05	TAPE Overview (McCoy)	I	11
02/08/05	Development for Deans	E	1
02/20/05	Aggie 100 Update	I	16
03/06/05	DOD Fundamentals	I	12
03/09/05	Big 12 Fund Raisers	E	9
03/20/05	Unitrusts (Pittsford)	I	13
03/27/05	x-Training Mays Business School (Hicks)	I	17
04/10/05	TAMF Endowment Growth/ Payout Rate	I	17
04/24/05	Public Info Policy and E-mail (Lusk)	I	14
05/01/05	Amer. Council on Gift Annuities Conf.	I	15
05/08/05	Gifting an IRA (Pittsford)	I	17
05/22/05	The Art of Asking (Zuber)	I	15
	39 Classes for DODs in 2005		
2006			
01/09/06	CASE: Fndtn. Giving Trends (Gulig)	I	17
02/08/06	Naming Policies	E	3
03/02/06	Art of the Cold Call (CASE)	E	6
04/27/06	Gift Law: Senior Women Donors	E	1
05/04/06	Stewardship - Foundation for Next Gift	E	2
05/18/06	Basic Tools of Planned Giving	E	10
06/11/06	Crafting a Successful Capital Campaign	E	1
06/27/06	Engineering Development Forum	E	5
	12 Classes for DODs in 2006 YTD		

Legend: I/E = Internal / External

Figure 7.4F – DOD Training

Another key indicator of employee learning and development can be seen in our level of internal promotions (*Figure 7.4G*). This policy of promoting from within leads to high levels of employee satisfaction and retention.

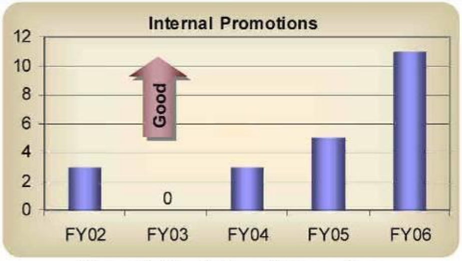


Figure 7.4G – Internal Promotions

7.4a(3) Employee Well-Being and Satisfaction

Our high levels of employee satisfaction lead to very low rates of turnover in our employee population. *Figure 7.4H* shows this turnover rate for all employees and for our customer contact employees – our DODs.

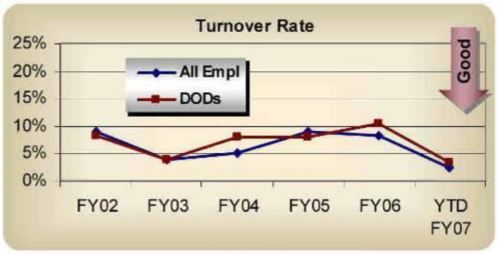


Figure 7.4H – Turnover

Figure 7.4I shows our turnover rate by the length of time an employee has been with us. This segmentation approach is key to understand the different needs of our employee base. Due to improved hiring approaches, we have decreased the number of new hires that leave.

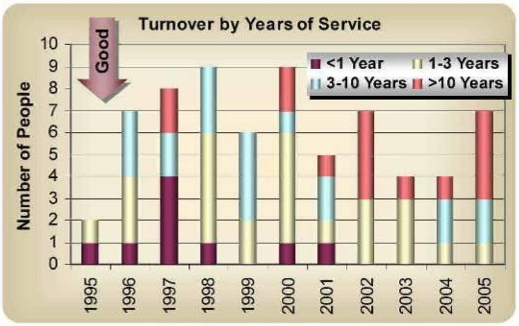


Figure 7.4I – Longevity

Another indicator of employee satisfaction is our absentee rate. *Figure 7.4J* shows our ongoing improvement in this rate over three years.

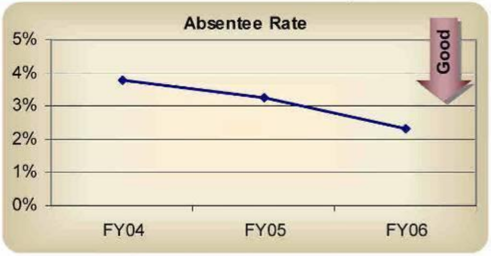


Figure 7.4J – Absentee Rate

Figure P.1D in the Profile outlines our measures of employee health, safety, and security. Measures of accidents are reviewed in terms of workers' compensation and the experience modifier rate. The experience modifier rate is a computation used for workers' compensation insurance to determine the rate that an organization will have to pay for insurance and is based upon the number of accidents the organization has had. *Figure 7.4K* shows our results in these indicators with the effect of zero claims over five years being a significantly decreasing modifier rate.

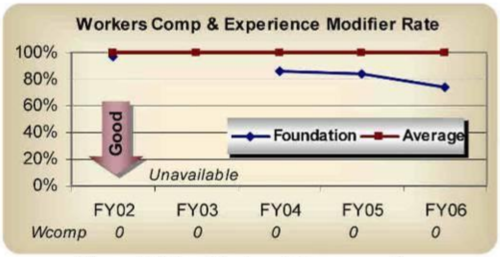


Figure 7.4K – Workers' Compensation

Figure 7.4L shows the results of our remaining safety measures based on type of issue. Our safe environment is a source of satisfaction for our employee base.

Issue	Measure	Target	FY02	FY03	FY04	FY05	FY06
Ergonomic	WC Claims	0	0	0	0	0	0
Ergonomic	WC Experience Modifier Rate	See *Figure 7.4K*					
** An experience rating below 100 indicates less claims reported than predicted resulting in a premium reduction.*							
Building Security	Incidents	Zero Incidents	0	0	0	0	0
Driving Safety	% Acc per Avg. Miles Driven	Zero %	.01%	.00%	.02%	.02%	.02%
Other Safety	Incidents Reported	Zero Incidents	0	0	0	0	0
Financial/Employee Data Security	Complaints	Zero Incidents	0	0	0	0	1, no data breech

Figure 7.4L – Employee Safety

As employees depart the Foundation we conduct an exit interview with them to discover their satisfaction levels and any areas that we can improve. *Figure 7.4M* shows the results of these interviews to-date.

Exit Interview Results	
Primary Reasons for Leaving: Career Progression, Retirement, Stay at home	
Benefit Satisfaction	5 of 5
Satisfaction with Salary	3 of 5

Figure 7.4M – Exit Interview Results

7.5a Operational Effectiveness Results

Effective and efficient operations are an important feature of our continuous improvement oriented culture. Various measures of process performance are shown throughout this Item.

7.5a(1) Value Creation Process Results

Figure 7.5A shows the results of measures of fundraising performance by phase of the cycle (see *Figure 6.1A*). This figure shows the number of contacts made by DODs in each phase. Contacts for FY06 are not yet final therefore do not represent a decrease in performance.

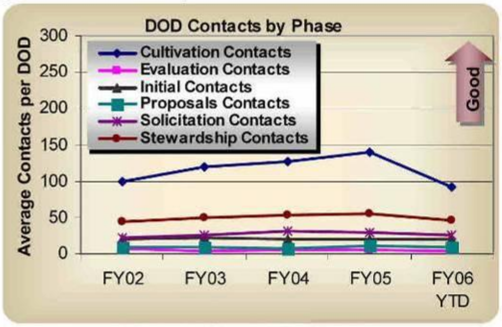


Figure 7.5A – DOD Contacts

Through research and marketing activities we are able to identify prospective donors for DODs to cultivate a relationship with. Increases in the number of prospective donors identified each year are shown in *Figure 7.5B*.

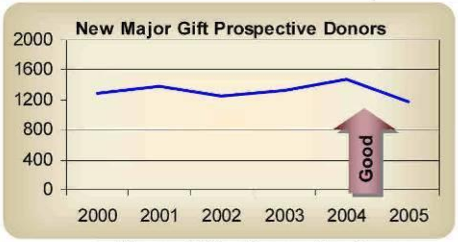


Figure 7.5B – Prospective Donors

Figure 7.5C demonstrates our efficiency in fundraising activities as compared to the other high performing UFFO organizations. This figure shows the cost of fundraising per alumni (we rank fourth in the nation) and the average dollars raised per alumni (we rank first in the nation).

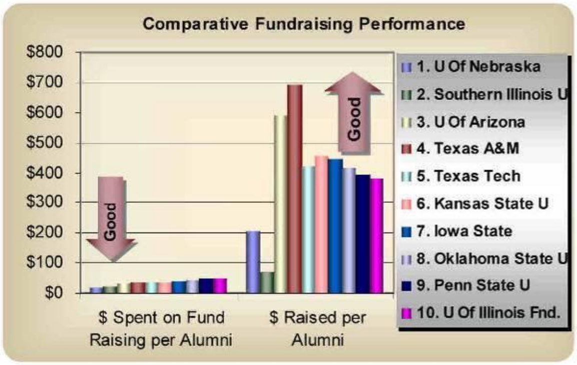


Figure 7.5C – Fundraising Performance

The performance of the Trust Company shows increased capability over time as demonstrated in *Figure 7.5D.* Distributions through the Trust Company have increased significantly over the last four years.

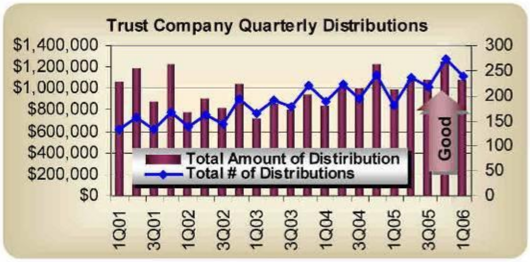


Figure 7.5D – Distributions

Additional measures of the efficiency and effectiveness of our value creation processes and business processes have been shown throughout this Category such as:

- New Gift Dollars *Figure 7.1A*
- Gift Expectancies in *Figure 7.1B*
- Investment Returns from Asset Management *Fig. 7.1D*
- Trust Company Performance *Figure 7.1G*
- Funds Made Available to TAMU *Figure 7.1H*
- Number of New Donors Added Per Year *Figure 7.2B*
- Repeat Donors (Stewardship Process) *Figure 7.2H*
- Gift Annuity Trends *Figure 7.2I*
- Gift Annuity Production *Figure 7.3O*

7.5a(2) Support Process Performance

Marketing is a business process that has as its measure of performance the number of "eyeballs" it connects – the number of people that have the opportunity to see the marketing material. *Figure 7.5E* demonstrates the "eyeball" count for 2006 efforts.

"Eyeballs" (exposure to # of people)	
Texas Aggie magazine	425,000
12th Man magazine	Unknown
Football program	495,600
Fish Camp video	7,000
First Yell sponsorship	>100,000
Texas Monthly Nov '06 issue	320,000
Aggie 100 sponsorship	Unknown
Speech to new faculty	300
Mouse pads	Unknown

Figure 7.5E – Marketing Effectiveness

Another key measure of the effectiveness of the marketing function is the response received from annual marketing efforts such as the mail outs for the gift annuity program and the Spirit of Sharing mailing each year. *Figure 7.5F* shows effectiveness of these mailings in generating responses and ultimately gifts from donors.

	Responses	Gifts
Gift Annuity Initiative -2002	68	21
Gift Annuity Initiative -2003	79	5
Gift Annuity Initiative -2004	123	14
Gift Annuity Initiative -2005	41	10
Spirit of Sharing-Spring 2004	73	N/A
Spirit of Sharing-Spring 2005	37	N/A
Spirit of Sharing-Fall 2005	42	N/A
Spirit of Sharing-Spr 2006 (to date)	38	N/A
Direct Mail-Bequest-2002	118	N/A
Direct Mail-SpiritTrust-2003	101	N/A
Direct Mail-Bequest-2004	171	N/A
Direct Mail-Spring 2005	123	N/A
Postcard Mail out-Summer 2005	16	N/A
Direct Mail-Fall 2005	12	N/A
Unitrust Mailout-Spr 2006 (to date)	14	N/A

Figure 7.5F – Marketing Responses

IT uses measures of the types of work orders submitted to manage their processes in work. *Figure 7.5G* shows the top ten types of work orders for FY06 and the number of work orders issued for those areas in prior years.

Top 10 Work Orders By Type			
Type	**FY04**	**FY05**	**FY06**
Installation	96	182	243
Email	172	108	133
Files	128	77	101
Blackberry	0	36	85
Hardware	70	30	82
Advance	0	63	80
Paperclip	22	16	39
Network	31	11	39
Batteries	12	16	37
AFS	34	32	31

Figure 7.5G - Helpdesk

Our IT department has had to continue to develop new skills and become more efficient as they continue to implement and support more and more software and servers each year. *Figure 7.5H* shows this increase of IT support over time.

7.6 Government and Social Responsibility Results

Stakeholder trust in our operations is important to our success and as such, we go to great lengths to maintain systems to support that trust. Approaches to ethics, integrity, governance, strategic planning, and community involvement are described throughout the application. Results for these activities are shown in this Item.

Servers		Software Implemented
1989	1	
1990	1	- BSR Donor Software for VAX System
1991	1	- Interactive Software
1992	1	
1993	1	
1994	1	- American Fundware SW for Novell - Novell Netware: DEC Pathwork - WordPerfect 6.0 & WordPerfect Office - Veritas Backup Exec for Novell
1995	1	- Crescendo Plus Software
1996	2	
1997	2	- Harvard Graphics - Sybase SQL Server for NT
1998	3	- PaperClip32 - BSR Donor System for Windows NT - Expert Index
1999	5	- HVAC System Software - Security System Software - Microsoft Office 2000 Professional
2000	7	- Symantec Norton Antivirus Corporate
2001	10	
2002	15	
2003	19	- WebTrends for Solaris
2004	21	- Google Mini Software Appliance - Blackberry Enterprise Server Software
2005	25	- PaperClip32 Webserver Software - Shavlik Patch & Spyware Management
2006	28	

Figure 7.5H – Server Support

7.6a(1) Accomplishment of Strategy

The most important key indicators of our success in accomplishing organizational strategy and action plans are our performance in the four goals that are part of the incentive compensation plan. Those are gift dollars raised (*Figure 7.1A*), growth in gift expectancies (representing future gifts) (*Figure 7.1B*), the performance of the long-term investment pool (*Figure 7.1C & 7.1D*), and the achievement of CSFs by employees (*Figure 7.6A*).

Another key indicator of success in accomplishing organizational strategy is the accomplishment of CSFs by employees as shown in *Figure 7.6A*. We have maintained over a 98% completion rate of CSFs for four years, even with an increasing number of CSFs each year.

Figure 7.6B shows our progress to meeting the specific departmental and overall TAMU goals associated with our current "One Spirit One Vision" campaign. We have already exceeded expectations for the overall campaign.

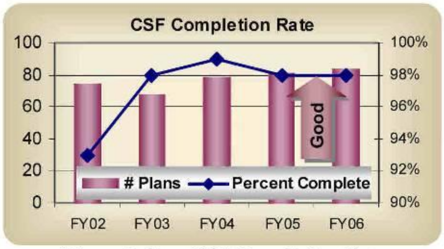


Figure 7.6A – CSF Completion Rate

Unit	Unit Goals	Totals	Percent Achieved
Agriculture Pgm	$140,000,000	$100,146,158.40	71.53%
Architecture	$30,000,000	$18,567,455.99	61.89%
Bush Center/Lib.	$40,000,000	$78,245,810.75	195.61%
Business	$80,000,000	$44,404,933.65	55.51%
Education	$25,000,000	$19,704,863.28	78.82%
Engineering Pgm	$210,000,000	$235,925,157.60	112.35%
Geosciences	$40,000,000	$39,452,094.57	98.63%
Liberal Arts	$35,000,000	$31,475,761.52	89.93%
Science	$45,000,000	$93,817,188.12	208.48%
Student Affairs	$15,000,000	$13,606,036.14	90.71%
Corps of Cadets	$50,000,000	$38,258,222.85	76.52%
Scholarships*	$35,000,000	$116,770,353.34	333.63%
Vet Medicine	$60,000,000	$68,706,442.62	114.51%
TAMU**	$45,000,000	$136,182,707.87	302.63%
AFS	$50,000,000	$49,897,147.54	99.79%
12th Man***	$100,000,000	$159,964,637.57	159.96%
Totals	**$1,000,000,000**	**$1,245,124,971.81**	**124.51%**

*Includes Evans Library **Includes TAMU Galveston
***Includes gifts counted during the Championship Vision Campaign.

Figure 7.6B – Status to Goals

7.6a(2) Ethical Behavior and Stakeholder Trust

In an online survey conducted in spring 2005, donors were asked about the ethical behavior of the Foundation (*Figure 7.6C*). One question concerned ethical behavior - "Do you feel the Foundation handles gifts in an ethical manner?" Fifty-seven (57) interviews were completed (18% of the potential participants). *Figure 7.6C* shows the respondents felt that we "Definitely" (79%) or "Probably" (18%) handle donor gifts ethically; one respondent (2%) disagreed.

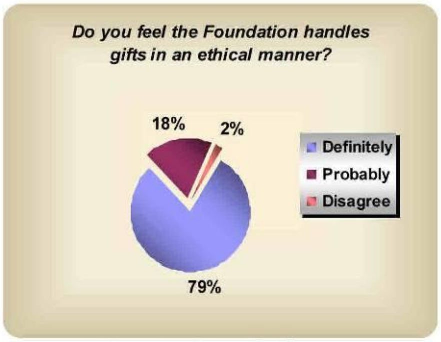


Figure 7.6C – Ethics Survey

Figure 7.6D shows the results of our remaining legal and ethical measures from the issues identified in *Figure 1.2A* in Category 1. Compliance to these issues are included as procedures in our processes; therefore, we have very few issues arise. Under corporate malfeasance, there have been no issues ever reported. This is true of all measures shown in the figure for each year.

7.6a(3) Fiscal Accountability

Fiscal accountability is addressed through internal and external controls. Internal controls are accounted for with compliance to accounting rules and other regulatory requirements shown in *Figure 7.6D*. These are then validated through a review that occurs in connection with our external accounting audit. *Figure 7.6E* shows the results of these audits over time.

Regulatory Issue	Measure	Target	2006
Non-Profit Status	In/out of compliance	100%	100%
Out of State Solicitation Registration	Qualification	100%	100%
Texas Trust Requirements	Compliance with regulations	Acceptable score	Acceptable score
Accounting Rules	Compliance	Zero material findings	0
Professional and Ethical Behavior	Grounded litigation	Zero suits	1 suit pending
	Audit findings	Zero material deficiencies	0
	Corporate malfeasance reports	Zero reports	0
	Customer complaints	Zero complaints	0
Employment Laws	# of violations	0	0
Employee Safety	# of claims	0	0
Local Codes (building, etc)	Infractions	0	0

Figure 7.6D – Legal and Ethical Results

	2002	2003	2004	2005	2006
Material Weaknesses	0	0	0	0	0
Audit Comments	0	0	0	0	0

Figure 7.6E – Audit Comments

7.6a(4) Regulatory and Legal Compliance

Measures of our performance to regulatory and legal compliance are shown in *Figure 7.6D* for a variety of issues. Additional years of results are available on site. To further support these measures, we will use legal expenses as an indirect indicator of our performance to legal compliance, such as those shown in *Figure 7.6F*.

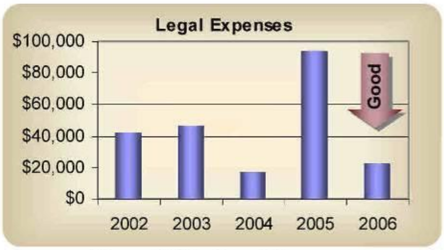


Figure 7.6F – Legal Expenses

Figure 7.6G shows our performance in legal and regulatory filings on time and correctly. We have only had one missed deadline for any filings, which was in 2006 for 941 deposits due to a hurricane. It was "forgiven" by the IRS.

	Year End				
Forms	**2002**	**2003**	**2004**	**2005**	**2006**
941	0	0	0	0	1
W-3	0	0	0	0	0
TWC	0	0	0	0	0
990	0	0	0	0	0

Tax deposit late due to hurricane --"forgiven" by IRS

Figure 7.6G – Requests for Corrections on Filings

7.6a(5) Organizational Citizenship

We offer a gift matching program for our employees as a method to allow them to contribute to those communities that are important to them. *Figure 7.6H* shows the results of this program over the last three years.

Employees are also involved in the community through volunteer of their time to support various charities as described in 1.2c. *Figure 7.6I* shows the increasing number of volunteer hours by our employees.

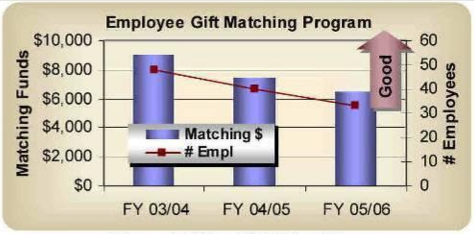


Figure 7.6H – Gift Matching

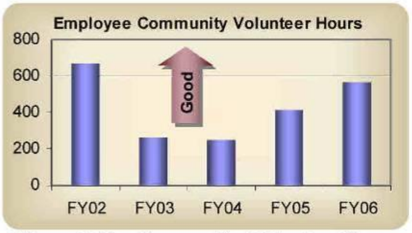


Figure 7.6I – Community Volunteer Hours

Various communities are supported by our employees each year including adopted families, food drive, and the United Way. *Figure 7.6J* demonstrates our levels of participation and financial support of the United Way program.

Figure 7.6K lists just a few of our more recent accolades from associations and the public.

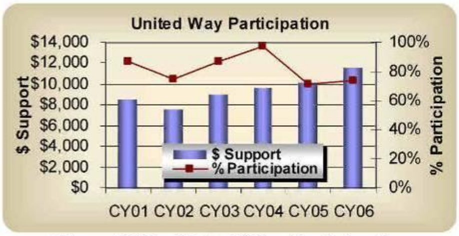


Figure 7.6J – United Way Participation

CASE
Circle of Excellence Grand Gold Medal Award
2004 Individual Special Events
***Grand Award* for the following:**
2004 Development Projects & Special Events "One Spirit One Vision" Campaign Launch Event
2004 Development Projects & Special Events "50 Years of Whoop!"
2006 Award of Excellence—Annual Report
2004 & 2005 Newsletter Graphic Excellence Award from PIA of MidAmerica
2006 Brazos Beautiful Award—Local community award

Figure 7.6K - Recognition

VITA

Name: Sherryl Leigh Wine
Address: University Center Complex, Texas A&M University, College Station, TX
Email: s-wine@tamu.edu
Education: B.S., Journalism, Texas A&M University, College Station, TX, 1989
M.S. Educational Administration, Texas A&M University, College Station, TX, 1998
Ph.D., Educational Administration, Texas A&M University, College Station, TX, 2011

PROFESSIONAL EXPERIENCE

Director, University Center Complex, Texas A&M University, 2009–Present
Director of Operations, Memorial Student Center, Texas A&M University, 2005–2009
Assistant Director, Special Event Facilities, Texas A&M University, 2001–2005
Executive Associate Director, Department of Parking, Traffic and Transportation Services, Texas A&M University, 2000–2001

HONORS

Student Government Association Administrator of the Year Award, 2000
President's Meritorious Service Award, 1999
Leadership Brazos, Class of 2002-2003, College Station, Texas

PROFESSIONAL ASSOCIATION INVOLVEMENT

- Quality Texas, Board of Examiners, 2005-2007
  - Senior Examiner, 2007
  - Examiner, 2005, 2006
- American Society for Quality (ASQ), member
- Association of Collegiate Conference and Events Directors-International (ACCED-I), member
- Association of College Unions International (ACUI), member
- International Association of Assembly Managers (IAAM), member
- Public Assembly and Facility Management School (PAFMS/IAAM)
- Texas Parking Association, 1996-1999
  - President, 1998
  - Vice President, 1997