IMPLEMENTING THE MALCOLM BALDRIGE PROCESS FOR A FINANCIAL INSTITUTION: AN INSIDERS PERSPECTIVE

Scott Murray

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IMPLEMENTING THE MALCOLM BALDRIGE PROCESS FOR A FINANCIAL INSTITUTION: AN INSIDERS PERSPECTIVE

A Project
Presented to the
Faculty of
California State University,
San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Science
in
Information Systems and Technology

by
Scott Bain Murray
March 2020
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Approved by:

Conrad Shayo, PhD, Committee Chair

Jay Varzandeh, PhD, Chair, Information and Decision Sciences Department
ABSTRACT

The Malcolm Baldrige Framework for Performance Excellence outlines best practices for strategic and operational processes. Enterprises that achieve the award do so not for the award itself – but for the transformation that takes place along the way. Although the fifty-page summaries of Malcolm Baldrige award winning organizations are posted on the National Institute of Science and Technology (NIST) (https://www.nist.gov/baldrige/award-recipients), the process and effort used to create such applications has not been documented. This project documents and provides an internal perspective and lessons learned from the early stages of the Malcolm Baldrige journey for a medium size financial institution. The process included: training and collaboration between the author and the applicant, interviews to collect the Malcolm Baldrige responses and an official Malcolm Baldrige review. The main lesson learned was: The importance of the three Cs (Communication, Commitment and Change) when deploying new strategy. The top opportunity for improving the process is ensuring that there are effective processes for strategic execution across the enterprise – specifically parring Malcolm Baldrige implementation with the Hoshin Kanri method. We hope that anyone given the responsibility to help an organization embark on a Malcolm Baldrige journey for the first time will benefit from reading this contribution.
ACKNOWLEDGEMENTS

I dedicate this research to my parents and beloved family. To my parents – thank you for bestowing me the ability to balance logic with creativity. Thank you for instilling in me the passion and drive to push myself to be the best son, father and husband I can be.

To my boys – thank you for keeping me grounded in what’s truly important and giving me the opportunity to be your dad. You both are truly my legacy.

To my wife Tina – thank you for your support, guidance and unconditional love. You complete me, are the moon of my life, and make me happy when skies are gray…
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CHAPTER ONE:
INTRODUCTION AND BACKGROUND

The Baldrige Framework

The Malcolm Baldrige Criteria for Performance Excellence is a strategic and operational framework forged by the best practices of the most successful corporations. Focused on operational efficiency and systematic consistency, the Malcolm Baldrige Criteria for Performance Excellence aligns nicely with the technologically minded.

From infrastructure design and implementation to information security monitoring and control, technology frameworks align critical decisions in technology with industry best practices. Technology professionals should strive to bring more to the “corporate party” than the systems they develop. They need to truly understand what’s best for their corporation and make decisions that support performance excellence. To that end – the Malcolm Baldrige Criteria for Performance Excellence should join the ranks as one of the most used frameworks by technology professionals.

A Systems Perspective

The Malcolm Baldrige (MB) Process for Performance Excellence is a systematic process for measuring the extent to which a company has defined key processes and how well these processes are integrated throughout the company’s business model.
Table 1. Baldrige Process Triad

<table>
<thead>
<tr>
<th>Process</th>
<th>Category/Triad</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>Leadership</td>
<td>HOW senior leaders sustain the organization. How governance and ethics are fulfilled.</td>
</tr>
<tr>
<td>Strategy</td>
<td>Leadership</td>
<td>HOW the organization develops strategic objectives and action plans.</td>
</tr>
<tr>
<td>Customer</td>
<td>Leadership</td>
<td>How the organization engages its customers and HOW it listens to voice of the customer.</td>
</tr>
<tr>
<td>Workforce</td>
<td>Results</td>
<td>How the organization selects, gathers, analyzes, manages and its data, information and knowledge assets.</td>
</tr>
<tr>
<td>Operations</td>
<td>Results</td>
<td>How the organization assesses workforce capability and capacity needs. How workforce is engaged and developed.</td>
</tr>
<tr>
<td>Results</td>
<td>Results</td>
<td>How the organization designs, improves and innovates its products and processes to deliver customer value.</td>
</tr>
</tbody>
</table>

Table 1 highlights the key process categories that are measured by the Baldrige framework. Each process category is assigned to one of two category triads: Leadership or Results. These triads are used to measure the linkages between a company’s leadership processes and its processes for measuring results.
Figure 1 illustrates a systems perspective of the Baldrige process, as depicted in the Baldrige Performance Excellence Program (NIST, 2019). In addition to measuring the level of integration between leadership and results, the Baldrige processes measures how well a company’s Organizational Profile is integrated into its System Foundation (core values and knowledge management).

Focus on Learning and Innovation

Learning and innovation are the hallmarks of humanity. The ability to learn from past experiences and innovate to make future experiences better is the spark that has fueled human advancement.

At the heart of the Baldrige process is the ability to learn from operational outcomes. The Baldrige process categorizes most companies into 1 of 5 stages. These stages are illustrated in figure 2 below as they are in the Baldrige Performance Excellence Program (NIST, 2019).
Companies at stage 1 are completely reactive to issues in their environment. There is little to no learning for companies in stage 1. In stages 2-3 companies start to systematically learn from process outcomes. These stages employ forward thinking planning tactics to make negative outcomes less severe. In stages 4 and 5 companies start to innovate around process outcomes and learning. Special focus is made on issue prevention in these stages.

Integrated Operational Approaches

The Baldridge process measures how key operational processes are repeatable, measured and approved upon. Poorly integrated operational approaches are reactionary in nature where mature process integration is normally characterized by repeatable processes that are maintained through a process of learning and innovation.
The Baldrige Performance Excellence Program (NIST, 2019) illustrates the process of operational maturation from an environment characterized by activities stemming from reactions to problems, to an environment driven by processes designed to solve or better yet avoid issues altogether. Figure 3 below illustrates this maturation process.

![Figure 3. Approach Integration](image)

In the early stages or process maturation companies find themselves reacting to problems in their environment. Efforts to resolve issues are not aligned creating inconsistent results. Information is not shared across the company therefore knowledge development and learning are stunted.

As companies mature operationally, they start to develop processes around operational requirements in their environment. Companies at this stage usually experience more consistent results due to aligned approaches – but still suffer from a lack of knowledge sharing and learning.

Companies who achieve the highest level of process maturity have systematic processes seamlessly aligned with operational requirements that are
fully integrated across the enterprise. Process alignment and integration help companies establish consistent operations, founded on knowledge management and learning.

The Value of Business Intelligence in the Baldrige Process

The goal of Business Intelligence (BI) is to infuse operational and strategic decision making with effective information. A well-integrated Business Intelligence team is key to an effective knowledge management processes, which in turn is the foundation for leaning and innovation.

Learning and innovation is a key concept for companies who wish to align well with the Baldrige framework. Companies must show that they use data in their environment in ways that foster learning and process improvement. The ability for BI to generate information and knowledge is invaluable for companies seeking the Baldrige award.

The Applicant

The applicant is a medium-size financial institution (credit union) in Western United States. The credit union is roughly 1.5 billion in assets and services just under 140,000 members. The credit union has been focused on improving the lives of its members, employees and those who live in its local communities for over 50 years.

The applicant’s mission is a simple and powerful statement, directed at the residents of its communities: “Enrich Lives and Empower Dreams”. Their core
values are: Respect, Integrity, Innovation, Passion and Excellence. They have a Vision to reach 230,000 members by 2023. These lofty goals put considerable strain on their operational environment. To find success they must be efficient and take intelligent risks.

Why Baldrige?

The applicant credit union considers itself to be a data-driven organization. It strives for excellence through continuous process improvement, learning and innovation. The applicant hopes that by aligning its strategic and operational processes with the Baldrige framework their ability to be efficient and take intelligent risks will be greatly improved.

In addition to being more efficient and gaining improved intelligent risk-taking capabilities – the applicant understands that in order to align well with the Baldrige framework there must be complete buy-in by management. The applicant is counting on the Baldrige process to further solidify management commitment, collaboration, and communication under the principles of data analysis and innovation.

Project Value for Applicant

The author of this project is currently employed by the applicant credit union. This affords the author great access to key people within the applicant’s management team. Easy access to management helped the author work directly with the management team, making it easier for them to deliver the required
information. The insights gained through the process of aligning the applicant’s operations with the Baldrige framework will be the primary focus of this project.

While the applicant employs several positions that specialize in data analytics and BI – they currently do not have anyone employed who specializes in the Malcolm Baldrige process. The applicant (and author) hope that by working through this research process together, the author will become the in-house expert for the applicant’s ongoing Baldrige process.
CHAPTER TWO:
FRAMING THE PROBLEM

Is Winning the Malcolm Baldrige Award Really the Goal?

In short – Yes – the goal for every Malcolm Baldrige applicant is to win the award. However, for companies just starting the Malcolm Baldrige process, the goal is to make incremental changes to their operational environment that improve their alignment with the framework and create business advantage. That said, most companies just starting the Baldrige process aim to uncover their biggest opportunities for improvement gaps and seek the guidance needed to address them.

The Problem Question

The problem question for this research project was developed by the author and the applicant’s management team. Since the applicant is just starting the Baldrige process, the agreed upon problem question focuses on an assessment of how well the applicant’s strategic and operational processes align with the Baldrige framework.

Project Problem Questions:

1. How well does the applicant credit union align its strategic planning and operational processes with the Malcolm Baldrige framework?
   Where does the applicant credit union perform well with the
Baldrige framework (Strengths)? Where are the biggest opportunities for improvement (OFIs)?

2. What are the main lessons gained from this project experience?

3. What are the main recommendations for organizations beginning to embark on their Malcolm Baldrige journey?

Analysis and Approach

The approach for the analysis portion of this project follows the official Malcolm Baldrige assessment process performed by Baldrige examiners and defined by National Institute for Standards and Technology (NIST). The student examiner completed California Award for Performance Excellence (CAPE) training which uses the Malcolm Baldrige framework and assessment process. The author will use the skills and tools gained during CAPE training to conduct the assessment processes.

Framework Questions

Most of the data used in the analysis portion of this project comes from management responses to the questions on the Malcolm Baldrige framework. As was specified in Table 1, the Malcolm Baldrige framework is organized into 7 categories. Each category provided a set of questions that are designed to illicit the responses used in this analysis.

The questions in each category are structured into a hierarchy. At the top of the hierarchy is a “Basic” question. The Basic question is usually opened ended and aims to get an overall response to the category. The second level of
questioning is the “Overall” question. Each Basic question normally contains one or more Overall questions which are normally focused on specific topics pertaining to the category. The third and final level of questioning in the Baldrige framework are the “Multiple” questions. Multiple questions are found throughout the Baldrige framework and are designed to expand upon Overall questions and responses. It’s common for some Overall questions to have three or more Multiple questions.

Malcolm Baldrige scores and results are directly tied to how complete the applicant’s responses are. If the applicant can only respond to Basic category questions, they usually receive low-end scores (less than 30%). If the applicant can provide response for both Basic and Overall questions, they usually score higher (40%-65%). However, the highest scores (greater than 65%) are awarded to only those applicants who have responses for all Basic and Overall questions as well as most Multiple questions.

Categories one through six target strategic and operational processes. The Problem Statement for this project focuses on the alignment of these processes and the Baldrige framework. Category seven assess how well these processes perform over time with comparisons to best practices and peers/competition. Since this project will assess how well the applicants strategic and operational processes align with the Baldrige framework, how successful the applicant’s processes are (category seven) will be the target of future projects.
**Key Factors**

The first section of every Baldrige application is the Organization Profile. The Organization Profile focuses on high-level facts about the applicant. The main purpose of the Organization Profile is to provide the required information for Baldrige examiners to create the applicants list of Key Factors.

Throughout the application the Malcolm Baldrige lead aligns the applicant’s responses to the Baldrige framework. The applicant’s key factors add another dimension for the lead to consider. Key factors keep the examiner grounded to what’s important to the applicant. The applicant can have a comprehensive response to a framework question – but if the response does not address key factors derived from the applicant’s Organization Profile the overall score for the category will be reduced. The Key Factors using during the applicant’s Malcolm Baldrige process can be found in Appendix B.

**Assessment and Alignment**

The assessment process used for this project will mirror the Baldrige assessment process. The student examiner provided interview questionnaires for each category. The assigned executives (Table 2) used these questionnaires to build a fact only response for each question. Since the goal of this project is to assess the overall alignment to the Baldrige framework, a full narrative application is not required.

Once the interview templates were complete, the student examiner reviewed the Organization Profile. From the profile the student examiner created
a list of key factors for the applicant (Appendix B). The key factors were used throughout the assessment to keep the student examiner grounded to what’s important to the applicant.

Each Baldrige category was assessed, and the results were entered into a Baldrige Process Item Worksheet (Appendix D). The worksheets specify the key factors used to assess the category and detail specific strengths and OFIs that will be included in the official feedback report to the applicant.

**Feedback to Applicant**

The final step of the Baldrige process (and therefore this project) will be to provide a feedback report to the applicant. After the feedback report is delivered, the applicant has an opportunity to provide feedback to the examiner as well. A complete feedback loop ensures that both the applicant and examiner work through a process of learning together, ensuring increased success for future Baldrige examinations.

**Project Hypothesis**

Credit unions are not for profit. They usually have limited resources to allocate to special projects that do not bring immediate benefits to their members. While the applicant has an in-house BI team and an executive team dedicated to process excellence, they are at the very early stages of their Baldrige journey. While early indicators suggest the applicant may score well in Strategy, Leadership, Process and Knowledge Management – weaknesses in Customer
Engagement and Operational Effectiveness will keep the overall score relatively low.
CHAPTER THREE:
DATA COLLECTION AND ANALYSIS

The primary data used for this project are the applicant’s responses to the Baldrige framework questions. Most of the responses were assigned to the applicant’s c-suite. The only exception being category (4) which was completed by the student examiner and author of this report. Table 2 below details how each category was assigned.

Table 2. Baldrige Framework Assignment

<table>
<thead>
<tr>
<th>Baldrige Framework Category</th>
<th>Assignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(P) Organization Profile</td>
<td>Chief Executive Officer (CEO)</td>
</tr>
<tr>
<td>(1) Senior Leadership</td>
<td>Chief Executive Officer (CEO)</td>
</tr>
<tr>
<td>(2) Strategy</td>
<td>Chief Strategy Officer (CSO)</td>
</tr>
<tr>
<td>(3) Customers</td>
<td>Chief Culture Office (CCO)</td>
</tr>
<tr>
<td>(4) Knowledge Management</td>
<td>VP, Technology</td>
</tr>
<tr>
<td>(5) Workforce</td>
<td>Chief Strategy Officer (CSO)</td>
</tr>
<tr>
<td>(6) Operations</td>
<td>Chief Operations Officer (COO)</td>
</tr>
<tr>
<td>(7) Results</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Framework Interviews

The Baldrige framework questions are complex. Most require input from various areas of the enterprise to answer effectively. The questions are designed to illicit descriptive responses about strategic and operational processes. To develop effective responses to the Baldrige framework one must spend a considerable amount doing so – a task that is very hard to do when juggling the responsibilities of day to day work.
As mentioned in chapter (2), the student examiner developed interview questionnaire templates for every category in the Baldrige framework – excluding category (7). The interview templates were designed to make it easier for management to provide feedback. The completed interview templates in their entirety can be viewed in Appendix (C). All identifiable information has been removed by the student examiner in order to protect the identity of the applicant.

Building Key Factors

The first step in the examination process is to develop the list of Key Factors for the applicant. Key Factors are developed by reviewing the Organizational Profile. As the first section of the Baldrige application, the Organizational Profile highlights the Mission, Vision and Values for the applicant. Other topics include elements of a SWOT analysis and the overall strategic and operational makeup of the applicant.

Throughout the examination process, the student examiner will align the applicant’s responses with both the Baldrige framework and the list of Key Factors developed from the applicant’s Organizational Profile. The list of Key Factors developed from the Applicant’s Organizational Profile can be viewed in Appendix (B).

Assessment and Consensus

The results of the Baldrige assessment process are documented in the Item Worksheets. Item Worksheets are Baldrige templates designed to organize
and provide feedback and scoring results for the applicant. The worksheets contain the Key Factors used during the analysis for the specific category and conclude with where the examiner feels the applicant aligns well with the Baldrige framework (Strengths) and where there are alignment gaps (Opportunities for Improvement – OFIs).

Prior to providing category feedback and scoring results to the applicant – Strengths, OFIs and scoring are normalized through the Consensus process. During Consensus, worksheets from several examiners are compared and the examination team comes to a “consensus” on which Strengths and OFIs to report and a final score for the category. The Consensus process is performed for each category and ensures that final scoring and feedback is as meaningful and constructive as possible for the applicant.
CHAPTER FOUR:

RESULTS

The resulting output of every Baldrige application process are the Item Worksheets. An Item Worksheet is created for each Baldrige category and contains the overall score and grading criteria. This chapter summarizes each Item Worksheet (Appendix D) stemming from the applicant’s Baldrige review process. The strengths and opportunities for improvement stemming from the applicant’s Baldrige analysis process and the resulting category scores are aggregated and summarized in their perspective sections below.

Table 3. Nugget Evidence Relevance Done

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nugget</td>
<td>The examiner provides a single statement that describes the Strength or OFI. Nuggets are always stated with framework criteria language.</td>
</tr>
<tr>
<td>Evidence</td>
<td>Evidence is an open discussion by the examiner detailing the reasons for the Strength or OFI.</td>
</tr>
</tbody>
</table>
Evidence is always related directly comments made in the applicant.

**Relevance**

This is where the examiner explains why the Strength or OFI is important to the applicant. Relevance is always tied to a Key Factor.

**Done!**

This step of the process doesn’t usually provide information. It merely identifies the end of the N.E.R.D. process!

The Strength and OFI sections below list the results from the N.E.R.D process for each category. The results from every step of the N.E.R.D. process can be reviewed in the Item Worksheets in Appendix D.

**Category Scoring**

Each Baldrige framework category is scored as a percentage. Higher percentage scores indicate mature organizational processes that align with the Baldrige framework and include cycles of learning and innovation. Lower scores usually indicate that processes are either anecdotal or not fully deployed throughout the organization with little or no learning or innovation present.

There are four factors that all Baldrige examiners consider when assigning a percentage score to a process category. These factors are Approach, Deployment, Learning, and Integration, or ADLI. Each Strength and OFI found in the Item Worksheets (Appendix D) is correlated with one or more of the ADLI factors. ADLI is referred to throughout the scoring process and helps the examiner communicate to the applicant why their processes are either effective
or need improvement. The following table (Table 4) describes ADLI and what comprises each scoring factor.
Table 4. Approach Deployment Learning Integration Factors

<table>
<thead>
<tr>
<th>Factors</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Approach</strong></td>
<td>Approach comprises the methods used to carry out the process, the appropriateness of these methods to the item questions and your operating environment, the effectiveness of your use of the methods, and the degree to which the approach is repeatable and based on reliable data and information (i.e., systematic)</td>
</tr>
<tr>
<td><strong>Deployment</strong></td>
<td>Deployment is the extent to which your approach addresses item questions that are relevant and important to your organization, your approach is applied consistently, and your approach is used by all appropriate work units.</td>
</tr>
<tr>
<td><strong>Learning</strong></td>
<td>Learning comprises the refinement of your approach through cycles of evaluation and improvement, the encouragement of breakthrough change to your approach through innovation, and the sharing of refinements and innovations with other relevant work units and processes in your organization.</td>
</tr>
<tr>
<td><strong>Integration</strong></td>
<td>Integration is the extent to which your approach is aligned with the organizational needs identified in the Organizational Profile and other process items; your measures, information, and improvement systems are complementary across processes and work units; and your plans, processes, results, analyses, learning, and actions are harmonized across processes and work units to support organization-wide goals.</td>
</tr>
</tbody>
</table>

Strengths and Opportunities for Improvement

The Baldrige Item Worksheets contain an area for examiners to list Strengths and OFIs stemming from an analysis of the provided framework responses. From the list of Strengths and OFIs uncovered by the examiner, she then chooses one of each to provide as the primary Strength and OFI comment for the category item.
The reason for listing only one Strength and OFI is focus. The Baldrige process must be productive for the applicant. Too many strengths may cause the applicant to become overconfident whereas too many OFIs may discourage them from future Baldrige application processes.

The following section lists the Strength and OFI comment for each category stemming from an analysis of the applicant’s responses. A complete listing of the Strengths and OFIs as well as the Key Factors used in the analysis can be found in the Item Worksheets in Appendix D.

**Strengths**

**Table 5. Strength Comments – All Categories**

<table>
<thead>
<tr>
<th>Category 1.1 (Senior Leadership)</th>
<th>Strength Comment:</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nugget</strong> (criteria language):</td>
<td>The applicant has a systematic process for defining, communicating its mission and values to the workforce.</td>
<td>a(1)</td>
</tr>
<tr>
<td><strong>Evidence</strong> (from the application):</td>
<td>The applicant’s mission and values are systematically integrated into its strategic planning and leadership communication processes. Their mission and values are front and center for various reward systems and learning is evident in some communication approaches.</td>
<td></td>
</tr>
<tr>
<td><strong>Relevance</strong> (key factor):</td>
<td>Integrating a clearly defined mission and value system into the applicants strategic planning and leadership communication processes ensures that all strategic action plans and leadership communication systems are focused on achieving its mission in ways that align with its core values. The applicant strives for a data-driven environment by deployment several online</td>
<td></td>
</tr>
<tr>
<td>Category 1.1 (Senior Leadership)</td>
<td>Strength Comment:</td>
<td>Item Ref.</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-------------------</td>
<td>----------</td>
</tr>
<tr>
<td></td>
<td>methods of leadership communication with process improvement integrations.</td>
<td></td>
</tr>
<tr>
<td>Done!</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category 1.2 (Governance and Societal Contributions)</th>
<th>Strength Comment:</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nugget (criteria language):</td>
<td>The applicant has a systematic approach for assessing, measuring and reporting regulatory compliance.</td>
<td>b(1)</td>
</tr>
<tr>
<td>Evidence (from the application):</td>
<td>The processes used by the client to assess, measure and report regulatory compliance updates are fully deployed to the workforce. The client uses its internal audit team to help coach and prepare workforce units for new/changing regulations. Results from each regulatory exercise are systematically assessed, measured and reported to all governing bodies.</td>
<td></td>
</tr>
<tr>
<td>Relevance (key factor):</td>
<td>The applicant operates within the highly regulated financial sector. Its processes for legal and regulatory compliance help to ensure good standing with applicable laws and regulations.</td>
<td></td>
</tr>
<tr>
<td>Done!</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category 2.1 (Strategy Development)</th>
<th>Strength Comment:</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nugget (criteria language):</td>
<td>The Applicant has systematic process for strategic development that is fully deployed across the enterprise.</td>
<td>a(1)</td>
</tr>
<tr>
<td>Evidence (from the application):</td>
<td>The applicant’s annual board planning conference (BPC) and management planning conference (MPC) define the strategic initiatives (A) and action plans (D) for the year. The applicant’s action plans drive workforce performance appraisals and the annual budget process (I).</td>
<td></td>
</tr>
<tr>
<td>Relevance (key factor):</td>
<td>The applicant’s annual BPC and MPC process ensures that their strategic initiatives and actions</td>
<td></td>
</tr>
</tbody>
</table>
### Category 1.1 (Senior Leadership)

**Strength Comment:**

<table>
<thead>
<tr>
<th>Item Ref.</th>
<th>plans are always aligned with their mission, vision and customer (member) expectations.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Done!</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Category 2.2 (Strategy Implementation)

**Strength Comment:**

<table>
<thead>
<tr>
<th>Nugget (criteria language):</th>
<th>The Applicant has systematic approach for implementing strategy.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Evidence (from the application):</strong></td>
<td>The applicant has a systematic process for implementing strategy. For example, strategy defined during the BPC and MPC are implemented as strategic projects through the in-house PMO. All strategic projects are framed by a project charter detailing the reason for the project (action plan) and how performance will be measured (KPIs).</td>
</tr>
<tr>
<td><strong>Relevance (key factor):</strong></td>
<td>The applicant’s approach for strategy implementation is aligned with their mission and vision. Deploying their action plans as strategic projects helps achieve their vision of a productive and engaged workforce.</td>
</tr>
<tr>
<td><strong>Done!</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Category 3.1 (Customer Expectations)

**Strength Comment:**

<table>
<thead>
<tr>
<th>Nugget (criteria language):</th>
<th>The applicant has a systematic process for listening to and interacting with its customers (members).</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Evidence (from the application):</strong></td>
<td>The applicant has a survey system which is integrated with all service channels. The process randomly selects members that interact which each service channel who are then promoted to complete a survey tailored to the channel used and the services offered. Results and expectations from the surveys are reviewed by the</td>
</tr>
<tr>
<td><strong>Item Ref.</strong></td>
<td>a(1)</td>
</tr>
</tbody>
</table>
## Category 1.1 (Senior Leadership)

**Strength Comment:**
management team monthly and used during all strategic planning (BPC, MPC) and process improvement (Delta Team) processes.

**Relevance (key factor):**
The applicants MLG survey system helps them delight their members and define products and services that make them fans. The data helps keep their staff engaged and dedicated to process improvement.

**Done!**

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</table>

## Category 3.2 (Customer Engagement)

**Strength Comment:**
The applicant has a systematic process for measuring customer (member) satisfaction and engagement.

**Nugget (criteria language):**
The applicant uses an automated survey system that is fully integrated into all service channels. Members are randomly prompted to complete surveys that are specifically tailored to the channel used and service offered. The results from the survey are used to generate metrics that reviewed by management monthly and used in all strategic planning and process improvement processes.

**Evidence (from the application):**
The applicant’s systematic survey system provides intelligent satisfaction results tailored to specific service channels and services offered. This provides a platform of learning and innovation for the applicant to help them achieve their process improvement and customer engagement goals.

**Relevance (key factor):**
The applicant’s systematic survey system provides intelligent satisfaction results tailored to specific service channels and services offered. This provides a platform of learning and innovation for the applicant to help them achieve their process improvement and customer engagement goals.

**Done!**

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</table>

## Category 4.1 (Measure Analysis and Improve Performance)
### Category 3.2 (Customer Engagement)

**Strength Comment:**

<table>
<thead>
<tr>
<th>Nugget (criteria language):</th>
<th>The applicant has a systematic process for continuous improvement and innovation.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Evidence (from the application):</th>
<th>The applicant’s Delta Team process trains its workforce how to define and document processes. Each student in the training completed a real process improvement project where they document, RCA and improve a process in their area of the business.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Relevance (key factor):</th>
<th>Providing process improvement training for their entire workforce helps the applicant achieve an engaged workforce and highlights its dedication to process improvement and innovation.</th>
</tr>
</thead>
</table>

**Done!**

### Category 4.2 (Information and Knowledge Management)

**Strength Comment:**

<table>
<thead>
<tr>
<th>Nugget (criteria language):</th>
<th>The applicant has a systematic process for building and managing organizational knowledge.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Evidence (from the application):</th>
<th>The applicant’s knowledge management process starts with its strategic planning where overall strategic direction is defined. Goals are identified from strategic initiatives which defines requirements for data and performance metrics. Information stemming from performance metrics results are fed back into the strategic planning processes as new knowledge.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Relevance (key factor):</th>
<th>The applicant’s knowledge management process ensures that learning is always a part of its strategic planning and process improvement efforts.</th>
</tr>
</thead>
</table>

**Done!**

### Category 5.1 (Workforce Environment)

**Strength Comment:**
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<thead>
<tr>
<th>Category 3.2 (Customer Engagement)</th>
<th>Item Ref.</th>
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<tbody>
<tr>
<td><strong>Nugget</strong> (criteria language):</td>
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</tr>
<tr>
<td>The applicant has a systematic process for organizing and managing its workforce.</td>
<td>a(4)</td>
</tr>
<tr>
<td><strong>Evidence</strong> (from the application):</td>
<td></td>
</tr>
<tr>
<td>The applicant manages its workforce through a top-down management approach. Overall strategic objectives and action plans are defined during strategic planning sessions (BPC/MPC). Goals stemming from the strategic objectives and action plans are assigned to all levels of the workforce. Each workforce goal has a performance metric that is analyzed and reviewed during the monthly management meeting and future strategic planning/process improvement session.</td>
<td></td>
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<tr>
<td><strong>Relevance</strong> (key factor):</td>
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<tr>
<td>The applicant’s approach for managing their workforce ensures their staff is always engaged in the strategic direction defined by their board of directors.</td>
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<tr>
<th>Category 5.2 (Workforce Engagement)</th>
<th>Item Ref.</th>
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<tbody>
<tr>
<td><strong>Nugget</strong> (criteria language):</td>
<td></td>
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<tr>
<td>The applicant has a systematic process for assessing workforce engagement that includes learning and innovation.</td>
<td>a(1)</td>
</tr>
<tr>
<td><strong>Evidence</strong> (from the application):</td>
<td></td>
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<tr>
<td>The applicant’s primary way of assessing workforce engagement is through a system they’ve deployed specifically for that purpose. Their workforce engagement process measures engagement anonymously down to the department level and includes all factors of the company (management, goals, communication, benefits, salary, work environment, peers). The system produces performance measures that foster learning and innovation in future strategic planning and process improvement sessions.</td>
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<tr>
<td>Category 3.2 (Customer Engagement)</td>
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<td><strong>Strength Comment:</strong></td>
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<tr>
<td><strong>Relevance</strong> (key factor):</td>
<td></td>
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<tr>
<td>The applicant's process for assessing workforce engagement is fully deployed across the organization and includes measurements for all aspects of the company. Integrated performance metrics drive learning and innovation around workforce engagement planning and process improvement sessions.</td>
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<td><strong>Done!</strong></td>
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<th>Category 6.1 (Work Processes)</th>
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<td><strong>Strength Comment:</strong></td>
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<tr>
<td><strong>Nugget</strong> (criteria language):</td>
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<tr>
<td>The applicant has systematic processes for pursuing and managing opportunities for innovation.</td>
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<tr>
<td><strong>Evidence</strong> (from the application):</td>
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<tr>
<td>The applicant has two internally developed process for detecting and pursuing opportunities for innovation. 1) The “Delta Team” training process teaches the workforce how to define processes, measure performance and innovate around improvement. 2) The internally developed MERT system provides a platform for customers (members) and the workforce to submit feedback. Results are aggregated and delivered to management where they are used in strategic planning, process improvement and product development processes.</td>
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<tr>
<td><strong>Relevance</strong> (key factor):</td>
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<tr>
<td>The applicant’s systematic processes for fostering and managing their opportunities for innovation help them keep their workforce engaged in their mission to turn their members into fans.</td>
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<tr>
<th>Category 6.2 (Operational Effectiveness)</th>
<th>Item Ref.</th>
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</table>
Category 6.1 (Work Processes)

Strength Comment:

Nugget (criteria language): The applicant has a systematic process for ensuring security and cyber security of information and key assets that includes cycles of learning and innovation.

Evidence (from the application): They applicant has deployed various systematic processes for ensuring the security and cybersecurity of its information and key assets. These processes include specialized security systems, workforce training and exercises and vendor risk assessments. All security and cybersecurity processes are measured (KPIs) and include cycles of learning and innovation.

Relevance (key factor): The applicant’s security processes span all service channels and engage the entire workforce and all key suppliers. This systematic process helps them secure their sensitive information and key assets across all service channels.

Done!

Opportunities for Improvement

Table 6. Opportunities for Improvement Comments – All Categories

Category 1.1 (Senior Leadership)

OFI Comment:

Nugget (criteria language): It is unclear if the applicant has a process of learning integrated into its mission and vision setting processes.

Evidence (from the application): While the applicant describes a mission, vision and value setting process that starts with its strategic and leadership planning, there doesn’t seem to be processes in-place to measure how integrated it’s mission and values are across all workforce groups.

Relevance (key factor): Measuring mission and vision integration throughout the workforce will help the applicant
<table>
<thead>
<tr>
<th>Category 1.1 (Senior Leadership)</th>
<th>Item Ref.</th>
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<tbody>
<tr>
<td>OFI Comment:</td>
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<tr>
<td>achieve a engaged workforce dedicated to its mission and vision.</td>
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<td>Done!</td>
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<th>Category 1.2 (Governance and Societal Contributions)</th>
<th>Item Ref.</th>
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<td>OFI Comment:</td>
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<tr>
<td><strong>Nugget (criteria language):</strong></td>
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<tr>
<td>It is unclear how the applicant measures the development and performance of its governing bodies.</td>
<td></td>
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<tr>
<td><strong>Evidence (from the application):</strong></td>
<td></td>
</tr>
<tr>
<td>The applicant has systematic processes for measuring senior leadership performance. However, it is unclear how governing body development and performance is measured.</td>
<td></td>
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<tr>
<td><strong>Relevance (key factor):</strong></td>
<td></td>
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<tr>
<td>Measuring the development and performance of governing bodies will extend overall development and accountability for performance to the applicant’s bod and audit committee – thereby increasing overall stability for the applicant and its members.</td>
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<th>Category 2.1 (Strategy Development)</th>
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<td>OFI Comment:</td>
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<tr>
<td><strong>Nugget (criteria language):</strong></td>
<td>b(1)</td>
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<tr>
<td>The applicant’s key strategic objectives and timetables for achieving them are either unclear or not defined.</td>
<td></td>
</tr>
<tr>
<td><strong>Evidence (from the application):</strong></td>
<td></td>
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<tr>
<td>The applicant has a process for systematically defining strategic initiatives and action plans. However, the applicant’s key strategic objectives and timetables for achieving them are unclear.</td>
<td></td>
</tr>
<tr>
<td><strong>Relevance (key factor):</strong></td>
<td></td>
</tr>
<tr>
<td>The applicant’s mission, vision and value system focus on customer (member) driven value. Having clearly defined strategic objectives and timetables for achieving them are critical pieces to measuring the overall success of the applicant’s strategic plan.</td>
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<th>Category 2.2 (Strategy Implementation)</th>
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<td>Category 1.1 (Senior Leadership)</td>
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<td>OFI Comment:</td>
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<tr>
<td>OFI Comment:</td>
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<tr>
<td><strong>Nugget (criteria language):</strong></td>
<td>It's unclear how the applicant allocates resources for new action plans and existing obligations.</td>
</tr>
<tr>
<td><strong>Evidence (from the application):</strong></td>
<td>The applicant has a systematic process for implementing strategy that is fully integrated with the internal PMO. However, it is unclear how the applicant ensures that resources are available to support new action plans and existing obligations.</td>
</tr>
<tr>
<td><strong>Relevance (key factor):</strong></td>
<td>Ensuring that there are needed resources for new action plans as well as existing obligations will ensure the applicant achieves its vision of a productive and engaged workforce while achieving desired levels of quality and continuous improvement.</td>
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<th>Category 3.1 (Customer Expectations)</th>
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<tr>
<td>OFI Comment:</td>
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</tr>
<tr>
<td><strong>Nugget (criteria language):</strong></td>
<td>It is unclear if the applicant has a systematic process for determining customer groups and market segments.</td>
</tr>
<tr>
<td><strong>Evidence (from the application):</strong></td>
<td>While the applicant describes a systematic process for communicating with individual customers (members), its not clear if they have a process for defining and communicating with specific customer (member) groups and market segments.</td>
</tr>
<tr>
<td><strong>Relevance (key factor):</strong></td>
<td>The applicant’s field of membership includes anyone who lives, worships or works in Riverside and San Bernardino counties. A systematic process for determining key customer (member) groups and market segments will help them expand their membership in their fields they server and make their existing customers (member) fans.</td>
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<th>Category 3.2 (Customer Engagement)</th>
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<td>Category 1.1 (Senior Leadership)</td>
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<td>OFI Comment:</td>
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<tr>
<td><strong>Nugget</strong> (criteria language):</td>
<td>It’s unclear if the applicant has a systematic process for acquiring customers and building market share.</td>
</tr>
<tr>
<td><strong>Evidence</strong> (from the application):</td>
<td>The applicant describes various activities for acquiring customers and building market share. However, there doesn’t seem to be a systematic process for deployment and performance measurement.</td>
</tr>
<tr>
<td><strong>Relevance</strong> (key factor):</td>
<td>A systematic process for acquiring members and market share will help establish consistent results that can be measured for effectiveness. This will help the applicant focus on the most effective approaches and platforms thereby enhancing customer engagement and bolstering process improvement.</td>
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<th>Category 4.1 (Measure Analysis and Improve Performance)</th>
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<th>Item Ref.</th>
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<tr>
<td>OFI Comment:</td>
<td></td>
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<tr>
<td><strong>Nugget</strong> (criteria language):</td>
<td>It’s unclear if the applicant has a systematic process for projecting future performance.</td>
<td>c(1)</td>
</tr>
<tr>
<td><strong>Evidence</strong> (from the application):</td>
<td>The applicant has systematic processes for collecting and analyzing data for measuring current and past performance. However, the applicant does not seem to have a process for projecting and preparing for future performance.</td>
<td></td>
</tr>
<tr>
<td><strong>Relevance</strong> (key factor):</td>
<td>Projecting future performance will help the applicant adapt and stay competitive with its primary competition (big banks) and credit union peers.</td>
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<th>Category 4.2 (Information and Knowledge Management)</th>
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<td>OFI Comment:</td>
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</table>
### Category 1.1 (Senior Leadership)

**OFI Comment:**

<table>
<thead>
<tr>
<th>Nugget (criteria language):</th>
<th>It’s unclear if learning and innovation are systematic across the organization as part of everyday work.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Evidence</strong> (from the application):</td>
<td>While the applicant learning embedded into its knowledge management process, it’s unclear if learning and innovation systematic across the organization as part of everyday work.</td>
</tr>
<tr>
<td><strong>Relevance</strong> (key factor):</td>
<td>Ensuring knowledge management and learning is systematically deployed across the organization will help to build a highly engaged workforce dedicated to process improvement.</td>
</tr>
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</table>

**Done!**

### Category 5.1 (Workforce Environment)

**OFI Comment:**

<table>
<thead>
<tr>
<th>Nugget (criteria language):</th>
<th>It’s unclear if the applicant has a systematic process for accessing capability and capacity needs according to strategic objectives.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Evidence</strong> (from the application):</td>
<td>While the applicant has processes in place to measure process inefficiencies and workforce engagement issues due to limited capability and capacity – it’s unclear if there is a systematic process for assessing capability and capacity requirements imposed by strategic objectives.</td>
</tr>
<tr>
<td><strong>Relevance</strong> (key factor):</td>
<td>Assessing needs stemming from strategic objectives will help preparing the workforce for new capacity and capability needs prior to negative impacts to process performance and workforce engagement.</td>
</tr>
</tbody>
</table>

**Done!**

### Category 5.2 (Workforce Engagement)

**OFI Comment:**

<table>
<thead>
<tr>
<th>Nugget (criteria language):</th>
<th>It’s unclear how key drivers for workforce engagement are determined.</th>
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**Item Ref.**

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<table>
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<tr>
<th>Category 5.1 (Workforce Environment)</th>
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<td><strong>OFI Comment:</strong></td>
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<tr>
<td><strong>Evidence</strong> (from the application):</td>
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<td><strong>Relevance</strong> (key factor):</td>
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<tr>
<th>Category 6.1 (Work Processes)</th>
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<td><strong>OFI Comment:</strong></td>
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<tr>
<td><strong>Nugget</strong> (criteria language):</td>
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<td><strong>Evidence</strong> (from the application):</td>
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<td><strong>Relevance</strong> (key factor):</td>
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<th>Category 6.2 (Operational Effectiveness)</th>
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<td><strong>Nugget</strong> (criteria language):</td>
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<td><strong>Evidence</strong> (from the application):</td>
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<td><strong>Relevance</strong> (key factor):</td>
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<tr>
<td>Category 5.1 (Workforce Environment)</td>
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</tr>
<tr>
<td>OFI Comment: continuity planning that will help prepare the various channels used to service the applicant’s customers (members) in the event of a large-scale disaster.</td>
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CHAPTER FIVE:

OBSERVATIONS AND NEXT STEPS

Throughout the Baldrige process the student examiner noted that the applicant’s strategic planning processes are guided by principles that align well with the Baldrige framework. The applicant’s mission, vision and values are front and center and clear cycles of learning and innovation are present. However, the student examiner noted that operations closer to the front line are missing a clear connection to the applicant’s mission, vision and values and cycles of learning and innovation are unclear.

Companies with precise methods for executing strategy across the enterprise are in a better position to achieve the type of transformation required to have an operation that aligns well with the Baldrige framework. The applicant could improve the effectiveness of its strategic execution process, and therefore alignment with the Baldrige framework, by considering the 3 Cs of Strategic Execution (Albu, 2017).

The Lesson of The Three Cs

Albu Consulting describes a process of strategy execution that focuses on three very important Cs: Communication, Commitment and Change (Albu, 2017). According to Albu, the three Cs pave the way for a collaborative and dynamic leadership system focused on effective strategic development and execution.
Communicate

The first C, Communicate, is all about communicating high-level strategic initiatives across the enterprise. Communicate focuses on articulating the strategy developed during the strategic planning process to the rest of the company (Albu, 2017). The communication process should clearly identify the strategic goals developed and their connection to the company’s mission and vision.

The applicant does a tremendous job developing strategy. The strategy development process is tightly integrated into its annual board planning and management planning processes. However, outside of the applicant’s financial performance scorecard, there doesn’t seem to be an ongoing process for communicating the status of strategic objective execution. The applicant would have a smoother Baldrige transformation by defining clear strategic objectives around the Baldrige process – then developing methods for articulating those objectives across the enterprise.

Commitment

The second C, Commitment, focuses on including all areas in the company at different stages of the strategic planning process. When employees participate in developing strategy – they have an easier time understanding how they contribute to its success and routinely have an increased level of commitment for the plan (Albu, 2017).
The applicant includes all of management in strategic planning and development. The process starts at the board planning conference, where the board of directors and executive team develop strategic objectives. The process continues at the management planning conference, where the entire management team develops strategic action plans that align with the strategic objectives developed at the board planning conference.

The applicant would gain higher levels of commitment to their strategic objectives by developing systematic processes that extend strategic planning to the rest of the company (non-management). Overall collaboration would improve as a result of increased top-down and bottom-up cooperation and feedback. Employees find it easier to translate strategy to action once they are included in the strategy management process (Albu, 2017).

Change

The third C, Change, deals with change management. Dynamic companies are in a constant state of process improvement – making changes to better align products and services to customer requirements and expectations. Change focuses on creating systematic processes for managing change to ensure all changes align with the direction set by the company’s overall strategic objectives.

The applicant does not have a systematic process for managing change across the enterprise. A systematic change control process would make it easier
for the applicant to align all significant changes with its strategic objectives, thereby increasing organizational efficiency and strategic focus.

Hoshin Kanri Method for Baldrige Success!

Effective strategic execution across the enterprise is important for companies seeking to align their operations with the Malcolm Baldrige criteria. A process commonly used to help execute strategy across the enterprise is the Hoshin Kanri method. Hoshin Kanri, translated to “how do we manage our direction”, establishes a systematic process for defining, implementing and measuring strategy in all areas of the company. Hoshin Kanri includes tools and techniques to develop and align goals to strategic objectives and define KPIs to measure their success.

The Figure 4. below illustrates the 7-step process of the Hoshin Kanri method. Steps 1-3 deal with strategy development, steps 4 and 5 focus on strategy deployment and steps 6 and 7 monitor deployment strategy for potential changes and future strategic planning sessions (Kanbanize).
Figure 4. Hoshin Kanri Method
The Hoshin Kanri method includes three subprocess that help ensure effective strategy execution. The first, Catchball is a process where managers freely collaborate with employees on specific action plans around achieving strategic objectives. Catchball helps ensure motivation and commitment by establishing well-communicated and agreed-upon goals. The second subprocess, PCDA (Plan, Do, Check, Act), ensures that short term goals and action plans are achieving established objectives. The final subprocess, Self-Diagnosis, helps establish long-term process improvement success.

The applicant has processes in place for each step in the Hoshin Kanri process. The applicant’s processes are listed within parentheses in Figure 4 above. In addition to having all 7 steps of the Hoshin Kanri process implemented, the applicant has the Self-Diagnosis process covered as well through the implementation of their annual board planning conference (BPC).

However, since strategic development occurs at the management level only (BPC and MPC) – there are no opportunities for the Catchball process to occur. Non-management staff have little to no opportunity to take part in the strategic management processes. This limits strategic communication and commitment from non-management employees throughout the company.

While the applicant’s in-house PMO monitors all strategic projects (actions plans) on a monthly basis – there doesn’t seem to be a systematic process for taking action (making changes) to strategic projects to either realign deployment or to meet changes in customer (member) demands. Process improvement
demands a continuous PDCA effort. By implementing a consistent PDCA process for all strategic projects (action plans) the applicant will be able to monitor and make changes to their execution should the need arise.
Organizational Description
P.1a Organization Environment
The Applicant is a member-owned not-for-profit financial cooperative serving 134,390 Members. The Applicant is headquartered in Los Angeles, California with a field of membership in multiple communities throughout Southern California. For over 50 years, The Applicant has been focused on improving our Members, employees, and local communities.

P.1a(1) The Applicant is a state charted financial institution approved to offer financial services to Members. Credit union customers are actually member owners who purchase shares as opposed to opening deposit accounts. The Applicant’s lead products of checking and auto loans are geared to the individual consumer. The credit union’s range of offerings includes a variety of consumer loans and deposit products. The Applicant also offers services to businesses; specializing in small business loans, commercial real-estate loans, and business checking.

The Applicant’s products and services are delivered both in-person and through electronic channels. The 12-branch network provides the membership with the brick-and-mortar facilities as well as the friendly, personalized service they need. Convenience is delivered through automated teller machine (ATM) availability, The Applicant’s phone center, credit and debit cards, online and mobile banking, and bill payment services.

P.1a(2) the name The Applicant, means great heights in Spanish, and the logo design elements are the cornerstone of the organization’s brand identity. The three distinct parts of the symbol have several meanings. On one level, each component represents a different aspect of the unique geographic area served: the oceans of Orange and San Diego Counties, the groves of Los Angeles and San Bernardino Counties, and the mountains that unify them all. On another level, the three individual parts represent the breadth of services offered the membership. And on yet another level, the three different parts are a celebration of the diversity within the communities served. The Applicant is a Member driven organization with a focus on data driven excellence.

Our annual planning conferences began in 2000. The Applicant Credit Union, adopted its statement of purpose, mission statement, core values, and its long-term vision. Throughout the last 19 years, the elements of the plan have remained with enhancements to reflect our Membership and the communities we serve.
The Applicant Credit Union adopted a Statement of Purpose designed to communicate the what, how, and why the organization exists and was enhanced in 2017:

“**We, the The Applicant Team, are committed to improving our Members’ financial lives and helping them to achieve their dreams. We will embody our core values to earn our Members’ trust and commit to providing the highest level of Member Service. Our Members are our top priority and we will ensure a warm and positive The Applicant experience to every Member, every time.**

*We understand that our Members have many choices for financial services and we are driven to make The Applicant their preferred selection. Being an The Applicant Member is special and it is our obligation to demonstrate the benefits of Membership to make our Members feel valued with every interaction.*

*The Applicant Team Members make a difference in our local Communities. We volunteer and give back to improve our region. We are innovative and aim to provide products and services that exceed our Members’ expectations and differentiate us from our competition. We are proud to serve the underserved and partner with our community to educate and enrich those around us.*
We are honored to be a part of the Applicant Team and work together to fulfill our mission. We are passionate about bettering ourselves through education, service, and continuous improvement. As we thrive and succeed we are critical to The Applicant’s success today, tomorrow, and in the future.”

<table>
<thead>
<tr>
<th>Core Ideology</th>
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<tbody>
<tr>
<td><strong>Vision Statement (Core Purpose)</strong></td>
</tr>
<tr>
<td>To Enrich Lives and Empower Dreams</td>
</tr>
<tr>
<td><strong>Core Values</strong></td>
</tr>
<tr>
<td>Respect, Integrity, Innovation, Passion, and Excellence</td>
</tr>
<tr>
<td><strong>Envisioned Future</strong></td>
</tr>
<tr>
<td><strong>Big Hairy Audacious Goal (BHAG)</strong></td>
</tr>
<tr>
<td>We will reach 230,000 Members by the end of 2023</td>
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<tr>
<td><strong>Vivid Description (Vision)</strong></td>
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<tr>
<td>We will attain the pinnacle of excellence.</td>
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<tr>
<td>Through:</td>
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<tr>
<td>Delivering experiences that delight our Members and make them fans.</td>
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<tr>
<td>Having an extremely productive and engaged workforce that loves</td>
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<tr>
<td>Being a highly regarded partner that makes powerful contributions to</td>
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<tr>
<td>improve the communities we serve.</td>
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<tr>
<td>Growing and optimizing our income solely to deliver our mission.</td>
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**Figure P.1-1**

**P.1a(3)** The Applicant’s 371 employees are diverse in many respects, such as professional experience, education, age, and ethnicity (Figure P1-2). The employee base represents the diversity of the communities served. In order to address the needs of Spanish speaking members and potential members, the credit union hires employees with bilingual skills.

The Applicant Team Members are focused on delivering high levels of service and have service dashboards that report their current performance. Employees can utilize MERT (Member Experience Reporting Tool) when they experience process breaks or issues.

**Figure P.1-2**

Health and safety requirements are dictated by OSHA. The Applicant has no contract employees, and the organization is non-union.

**P.1a(4)** As a modern financial institution, technology is essential to executing The Applicant’s day-to-day functions. The system that drives members’ transactions is known as Episys. This credit union core operating system runs over-the-counter, ATM, home banking, automated phone access, loan, and balancing processes. Additionally, The Applicant uses Bluepoint to seamlessly run fraud verification on checks and transmit to the Federal Reserve. To issue, process, and track plastic card users, The Applicant partners with Vantiv. The last key technology utilized is through a partnership with Alkami to offer high quality online and mobile banking access.

As referenced in P.1b(2), The Applicant collects and uses a wide array of customer information and warehouses the data utilizing Advantedge. This technology allows the organization to review performance through dashboards member demographics to product usage and profitability.
Major equipment includes The Applicant’s 75 ATMs, and personal computers at every workstation. The Applicant places the power of technology in the hands of its employees in order to empower them to help members beyond normal expectations.

The branch network is an important function of service delivery. The Applicant’s 13-branch system spans Los Angeles County, and each location is tailored to suit its own unique marketplace. All branches offer and support the credit union’s full line of products and services. The organization’s 62,000-square-foot corporate facility, the Mark W. Hawkins Operations Center (HOC), houses the credit union’s support departments, senior executives, and the Member Service Center (MSC).

P.1a(5) Few sectors of the economy are regulated as closely as the financial services industry. Regulations are numerous for the handling of cash, the funding of loans, the liquidity of investments, and even the manner in which financial services are advertised. The Applicant is held accountable to the National Credit Union Administration (NCUA), the Department of Business Oversight (DBO), Federal, State, and Local Tax Authorities, and the rules and regulations contained in the California Code of Regulations. Additionally, its independent public accounting firm validates its sound business practices. Beyond financial regulations, The Applicant also must conform to all federal and state workplace policies, security, privacy, OSHA and the Fair Labor Standards Act.

P.1b(1) As stated earlier, The Applicant Credit Union is a not-for-profit financial cooperative. Its Board of Directors consists of a group of volunteers democratically elected by the membership (one member, one vote). The credit union employs an internal auditor and has contracts with two independent audit firms to perform the financial audit as well as operational and compliance audits. The audit results are reviewed by the Supervisory Committee to ensure policies and procedures protect the Members’ interest. They also make sure regulations are followed, and provide an annual report on the credit union's financial condition and results of operations. The reporting relationships among the board, senior leaders, and the organization are outlined in the organizational chart that precedes this preface.

P.1b(2) With its community charter, The Applicant’s key customer group consists of anyone who lives, works, worships, or attends school in Los Angeles and San Bernardino counties, and parts of San Diego and Orange Counties. Further narrowing that list is the focus on its original sponsor groups which include employees of Los Angeles County school districts, the County of Los Angeles, Los Angeles County hospitals, and March Air Reserve Base. Although The Applicant has been approved to do business in the four counties identified above, the organization will not expand past Los Angeles County until the branch network there has achieved critical mass. The credit union adheres to the traditional value of “people, not profit,” and therefore maintains a close relationship with those who are the roots of the organization.

For over 10 years, The Applicant has partnered with Raddon Financial Group to conduct an annual member satisfaction survey. The detailed results give valuable information on, not only The Applicant’s members, but comparative data to other credit unions as well. In reviewing the survey results The Applicant felt that access to Member feedback need to be more frequent than once a year and needed to be actionable. As a result in 2018, the credit union went to RFP to find a system that allowed for real member data that could be segmented through channel and type of transactions. The Applicant partners with Member Loyalty Group and Satmatrix for the system. Consistently Members have rated accuracy, convenience, and personalized service as their key priorities. Additionally, confidentiality and security are also key member requirements. The Applicant takes this issue seriously as outlined in Information and Knowledge Management, 4.2(c).

Other key stakeholder groups include employees and communities The Applicant serves. Through the annual employee satisfaction survey, The Applicant obtains information on key employee requirements.
That information can be used to refine policies, adjust benefits, and tailor training, helping it to become the top company to work for in the Inland Empire.

Credit unions are unique to banks in another way in that they work in a cooperative environment. They freely share information such as comparative data and best practices. They also unite in the political arena to oppose or support legislation including that being introduced by the banking industry to limit credit unions’ ability to provide unique value to its members. Being a larger credit union, The Applicant believes in sustaining the credit union movement and ensuring that smaller credit unions are protected and remain viable. The Applicant supports advocacy for credit unions and our local region.

The Applicant partners with its communities by determining what is important to each individual area. In 2018, The Applicant over $2M back to the local community by partnering with the Los Angeles Art Museum to bring “The Cheech” to Los Angeles and with the Civil Rights Institute. The Chamber of Commerce awarded The Applicant the prestigious “Business of the Year” award in 2019 for corporate responsibility and local support.

P.1b(3) The Applicant’s most important partners assist in providing services that are outside of the credit union charter. Auto Expert and CUSO Financial services are for-profit entities that offer products and services that a credit union simply cannot. This key relationship is both suppliers to the credit union and distributors to the membership. These partnerships complete the credit union’s imagery model of wealth, dreams, protection, and convenience.

With the constant communication among the affiliates and The Applicant Credit Union, the sharing of data and process information are natural. For example, when Auto Expert delivers a vehicle, they also perform the loan closure process for The Applicant. This leads to the sharing of process information, learning and improvement on both ends of the transaction.

The Applicant’s other key suppliers provide information technology and check printing. As discussed in P.1a(4), the Episys system runs the transaction system for the entire membership, as well as the general ledgers used by accounting. The key partners in the technology and delivery of services include: Bluepoint, Vantiv, and Alkami.

All suppliers and partners are expected to respect The Applicant’s vision, values, and mission. If a breach occurs, The Applicant investigates the situation to determine the validity and then why it may have happened. Every effort is made to maintain the relationship. However, if it is evident that the partner does not truly abide by the standards, the relationship is terminated.

P.1b(4) As noted in P.1b(2), there is a great deal of communication between The Applicant Credit Union and its partner organizations. The formal structure includes the facilitation of the group meetings, monthly and quarterly management meetings that includes the affiliate management, and the facilitation of Auto Expert into the annual planning sessions.

P.2 Organizational Challenges
P.2a(1) Competitive Environment
With assets totaling over $1.45 Billion, The Applicant performs well compared to peers (credit unions with assets from $1Billion to $2Billion) in member, loan, share, asset, and capital growth. Member surveys indicate that The Applicant’s chief competitors are three large institutions, Bank of America, Wells Fargo, and Chase. As more and more credit unions move into The Applicant’s marketplace with community charters, it is necessary to maintain a competitive, yet cooperative position with them. The Applicant enjoys tremendous growth and profitability in relation to its peer credit unions, yet doesn’t compete in quite the same arena as the mammoth banks which service large businesses. Comparative information becomes clouded due to differences in scale, customer base, and product offerings. The Applicant’s focus on the member, employee, and community differentiates it from these larger financial institutions.
Due to the collaborative nature of credit unions, they cooperate with one another for the good of the industry. Credit unions are very active in combating the ongoing fight with the banks on their tax-exempt status. Regional credit union leagues such as the California Credit Union League (CCUL) pull together organizations for credit union advocacy, sharing of best practices, resource information, and training.

P.2a(2) The Applicant has several factors that determine its success relative to the competition:
- Locality and affiliation through employer groups
- Community Involvement
- Member Relationships as the PFI (Primary Financial Institution)

In this changing economy, most financial institutions are finding it difficult to attract low-cost shares which are the best vehicle for funding loans. Additionally, changes in the auto industry and their strategies impact the ability to make auto loans. Partnering with Auto Expert gives The Applicant a tie-in to selling the auto loan product.

The American Bankers Association has a long-term effort to support additional credit union regulation and taxation. If the taxation issue came to fruition, many small credit unions would not survive. The Applicant addresses the possibility of taxation through scenario planning.

P.2a(3) Key sources for comparative and competitive data from within the industry include:
- Member Loyalty and SatMatrix – Member surveys measuring loyalty and satisfaction
- Callahan and Associates – Peer financial results
- NCUA and FDIC Call Reports – Financials
- The Shields Group and The Credit Union Journal – Employee Survey

Key sources for comparative data for processes outside the industry include:
- Former Baldrige recipients
- Public domain published materials

Limitations in obtaining good comparative information are generally related to differences in business models, cost, or availability of the information. For example, The Applicant can use the call reports that are available for the larger institutions such as Bank of America. However, that information is cumulative and can’t be broken down by comparable product offerings. Therefore, the report is ineffectual.

P.2b Strategic Challenges
Based in Southern California, The Applicant faces some unique as well as universal business, operational and human resource strategic challenges:
- Potential downturn in consumer economy
- High cost of operation
- Regulatory and security demands
- Attacks by the banking industry

The potential downturn in the consumer economy, high cost of operations, and the attacks by the banking industry each have the potential to impact the organization’s sustainability. The Applicant deploys scenario modeling to address the above concerns. To address the high cost of operation, process improvement and efficiencies are a focus as a strategic goal. The organization employs a governmental affairs officer who builds relationships with political leaders and keeps them informed of the credit union mission. The Applicant is very active with credit union political action committees (PAC) and has its own employee PAC to fight legislation that may alter the credit union landscape in a negative fashion.

P.2c Performance Improvement System
The Applicant maintains a quality deployment plan that incorporates consistency, efficiency, and is member driven. In its three-pronged approach, the plan includes quality standards to establish and maintain consistency, training for process knowledge and improvement, and Business Process Management which identifies the organization’s key business and enabling processes.

The Applicant deploys business process management (BPM) in order to achieve data driven decision-making. Key processes and enabling processes are identified in the model, and metrics for these processes are reviewed on a monthly, weekly, or even daily basis. Senior leaders to identify areas for further evaluation or improvement by process improvement managers use this information. The scope, return on investment and importance to the member determine the level of project to be undertaken. Delta Team Members are deployed throughout the organization to gather the necessary data, work on project teams, and maintain process maps.

In addition to regular evaluation and improvement of processes through The Applicant’s BPM approach, the credit union systematically evaluates the entire organization against the Malcolm Baldrige Criteria for Performance Excellence.
APPENDIX B

APPLICANT KEY FACTORS
Key Factors Worksheet

P.1 Organizational Description

Member-owned not-for-profit financial cooperative – the applicant has been focused on improving the lives on its members, employees and those who live in the local communities for over 50 years. Headquartered in Riverside CA, the applicant has a field of membership in Southern California.

a. Organizational Environment

(1) Product Offerings

The applicant provides financial services to its members. The applicant’s range of financial services includes various consumer loans and deposit products. Leading financial services include auto loans and checking accounts. The applicant is starting to specialize in small business products such as small business loans, commercial real estate and business checking accounts.

The applicant delivers its financial services through brick-and-mortar branches (13) and digitally. Primary digital platforms include card payment systems (Debit / Credit), Online Banking (Desktop / Mobile) including various bill payment platforms and an internally staff call center with automated telephone banking.

(2) Mission, Vision, Values, and Culture

The applicant is a member driven organization with a focus on data driven excellence. The applicants Statement of Purpose focuses on a commitment to improving their member’s lives and helping them achieve their dreams. The applicant understands that their members have many choices for financial services and is driven to be the primary financial partner. The applicant is passionate about bettering themselves through education, service and continuous improvement.

**Mission:** To Enrich Lives and Empower Dreams

**Core Values:** Respect, Integrity, Innovation, Passion, Excellence

**BHAG:** To reach 230,000 members by 2023

**Vision:** Delivering experiences that delight our Members and make them fans. Having an extremely productive and engaged workforce that loves The Applicant. Being a highly regarded
partner that makes powerful contributions to improve the communities we serve. Growing The Applicant and optimizing our income solely to deliver our mission.

(3) Workforce Profile

Applicant leadership structure is broken down into 3% senior leadership and 14% middle management. 82% of applicant’s staff is non-management.

Applicant’s employment status is 82% full-time and 18% part-time.

Gender breakdown is 28% male and 72% female.

Applicant’s workforce ethnicity is 59% Latino, 20% Caucasian, 8% African-American, 6% Asian or Pacific Islander and 6% other.

Applicant’s workforce age breakdown is 18-33 46%, 36-51 41%, 52-65 12%, 66+ 1%.

Applicant’s workforce education breakdown is Associates Degree 11%, Bachelor’s Degree 17%, Master’s Degree 4%.

The applicant is non-union, and health and safety requirements are dictated by OSHA.

(4) Assets

The Mark W. Hawkins Operations Center (HOC) is the primary operations center for the applicant. The HOC houses most back office support departments, a fully staffed call center, the applications primary data center and all senior executives.

The applicant’s physical locations are comprised of 13 branches, the HOC and a DR data center in Las Vegas Nevada. All locations are interconnected connected by primary and secondary WAN/Network connections. All technology services are delivered through two datacenters located at the HOC and Las Vegas sites.

The applicant has an in-house financial core platform called Episys. Episys houses most of the financial services for the applicant’s members and drives several servicing platforms such as: ATMs, online banking and credit card processing. The applicant has an in-house data warehouse with departmental performance dashboards and processes all draft internally through its Alogent (Blue Point) item processing system.

The applicant has personal computers at most workstations and currently has 75 ATM machines deployed across Riverside county.

(5) Regulatory Environment
The applicant is part of the highly regulated financial sector. Primary regulators are the National Credit Union Administration (NCUA), the Department of Business Oversight (DBO), Federal, State and Local Tax Authorities and the rules and regulations contained in the California Code of Regulations. Non-financial regulators for workplace safety, security, privacy include OSHA and Fair Labor Standards Act.

b. Organizational Relationships

(1) Organizational Structure

The applicant is governed by a volunteer board of directors elected by its membership. The volunteer board is responsible for the performance of the CEO and her executive team. The applicant employs an internal auditor who reports directly to the CEO and collaborates with an internal audit committee to coordinate all financial and operational audits. The audit committee is comprised of volunteers from the industry and the board of directors.

(2) Customers and Stakeholders

Key customers consist of anyone who lives, works, worships or attends school in Riverside and San Bernardino Counties – including parts of San Diego and Orange Counties. The applicant applies special focus on its original sponsor groups which include: Riverside County school districts, County of Riverside, Riverside County Hospital and March Air Reserve Base.

Other key stakeholders include the applicant’s workforce and the communities in which the applicant serves. In 2018 the applicant donated 2M to a local ART program highlighting a commitment to local communities and culture.

In 2018 the applicant deployed a new membership loyalty platform. The new platform (SatMatrix) interacts directly with the applicant’s members and they interact with service channels. The resulting interaction produces responsive and accurate reporting of satisfaction levels by channel and transaction type.

(3) Suppliers, Partners, and Collaborators

The applicant’s most important partners are Auto Expert (auto location and purchasing) and CUSO Financial Services (investment management). The partnership fosters sharing of process information. The partnerships align with the applicant’s mission to build wealth and empower dreams. All suppliers are expected to respect the applicant’s mission, values and vision.
The applicant has key suppliers of technology that facilitate service delivery. Some of these suppliers include: Jack Henry (Episys), World Pay (Card Purchasing), Alkami (Online/Mobile Banking), Alogent (Item Processing), NCR (ATM Machines and Technology), Enghouse (Cell Center), VMWare (Datacenter and Workstation Technology).

Credit Unions are collaborative by nature, freely sharing information such as comparative data and best practices. The applicant supports advocacy for credit unions and its local region.

P.2 Organizational Situation

Applicant is free to offer financial services to anyone who lives, works, worships or goes to school in both Riverside and San Bernardino counties and parts of San Diego and Orange counties. Since credit unions are community focused, they are exempt of most federal income taxes. The extreme focus on local communities creates a powerful bond between the applicant and its members who live in the areas served.

a. Competitive Environment

(1) Competitive Position

The applicant’s primary competitors are three large national financial institutions: Bank of America, Wells Fargo and Chase. While some credit unions have moved into the applicant’s marketplace, the applicant maintains a competitive yet cooperative position with them. Sitting at 1.45 Billion in assets – the applicant enjoys healthy growth and profitability in relation to its peers (credit unions 1-2 Billion).

National banks wage an on-going battle to strip the tax-exempt status enjoyed by most credit unions. Credit unions cooperate and collaborate in this fight for the good of their industry. Regional credit union leagues such as the California Credit Union League (CCUL) help foster credit union advocacy sharing best practices, resource information and training.

(2) Competitiveness Changes

Potential changes to the credit union tax-exempt status poses the greatest risk to the applicant’s competitive situation. An economic downturn may impact the applicant’s ability to sell its financial services to its membership, thereby diminishing the applicant’s ability to generate income. Financial institutions are turning to the internet more and more to extend their service channels and to
enhance their products and services. This expanded use of the internet poses great opportunity for the applicant as well as significant risks to day to day operations.

(3) Comparative Data

Key sources of comparative data from within the industry include: Member Loyalty and SatMatrix (Member satisfaction and loyalty), Callahan and Associates (Peer financial results), NCUA and FDIC Call Reports (Financials), The Shields Group and The Credit Union Journal (Employee Survey). Key sources for comparative data from outside of the industry include: Former Baldrige recipients, Public domain published materials. The unique focus on community and membership makes gathering peer data for credit unions a challenge.

b. Strategic Context

The following are the main strategic challenges for the applicant: Potential economic downturn, High cost of operation, Regulatory and security demands, Attacks by the banking industry. The digitizing of the financial sector places a lot of pressure on credit unions to keep up with the pace set by the national banks with seemingly endless resources. The applicant gains an advantage by partnering with vendors (JHA, Alkami, World Pay) who help develop new digital products and services to keep pace with the national banks. Being incorporated in Riverside county puts the applicant in a great strategic position to stay connected to its community and the members who live within.

c. Performance Improvement System

The applicant maintains a quality deployment plan that is three pronged: (1) quality standards, (2) processing improvement training, (3) Business Process Management BPM. Through BPM key processes are defined and process metrics developed. Metrics are reported at least monthly. A special process improvement task force (Delta Team) is deployed throughout the company. Their task is to document and improve key processes in their area of the company. The Delta team members are constantly trained and refreshed creating a cycle of process improvement training for the applicant. The applicant systematically evaluates the entire organization against the Baldrige Criteria for Performance Excellence.
APPENDIX C
EXECUTIVE INTERVIEW RESPONSES
Senior Leadership (70 pts)

Basic Question:
How do your senior leaders lead the organization?

Our mission – to Enhance Lives and Empower Dreams – guides all strategic planning and senior leadership practices. Every strategic initiative, action plan and KPI are deployed to enhance our ability to enrich the lives of our members and empower their dreams. Our senior leaders have created a culture where our mission is front and center and on the minds of the entire workforce as they service our members. (Student Examiner Note: How is this measured?)

Innovation and learning are both significant parts of our culture. Senior management often encourages “Failing Fast” as well as taking “intelligent risks” when it comes to finding new and innovative ways to bring value (mission) to our members. Our Delta Team process is an example of how we include and inspire our workforce to be innovative and to take intelligent risks. (Student Examiner Note: How is this measured?)

Our senior leaders understand that an engaged and motivated workforce is key to achieving our mission. Workforce engagement is assessed several times throughout the year. Innovative changes to benefits and dress code over the past year have been a direct result of our workforce engagement assessment process. (Student Examiner Note: Do surveys show improvement?)

Overall Question for Setting Vision and Values:
How do senior leaders set your organization’s vision and values?

Our mission and values were created by our board of directors and senior leadership team. Input from membership focus groups helped align our mission, vision and values with member expectations. Throughout our BPC and MPC processes, senior leaders align all new strategies and action plans with our mission, vision and values.

Multiple Question:
How do senior leaders deploy the vision and values through your leadership system, to the workforce, to key suppliers and partners, and to customers and other stakeholders, as appropriate?

[Response]

Overall Question for Promoting Legal and ETHICAL BEHAVIOR:
How do SENIOR LEADERS’ personal actions demonstrate their commitment to legal and ETHICAL BEHAVIOR?

[Response]
Multiple Question:
How do senior leaders deploy the vision and values through your leadership system, to the workforce, to key suppliers and partners, and to customers and other stakeholders, as appropriate?

[Response]

Multiple Question:
How do senior leaders’ personal actions reflect a commitment to those values?

[Response]

Overall Question for Communication:
How do senior leaders communicate with and engage the entire workforce, key partners, and key customers?

Senior leaders set the stage for the year at the annual kickoff event. The kickoff focuses on the strategic direction for the year. Senior leaders take the stage and present the years actions plans and goals. The kickoff event includes the entire workforce, board of directors and guest speakers.

Throughout the year senior leaders engage directly with the workforce at monthly management meetings. Several recognition programs are part of the meeting that reward the workforce for production performance for actions that align with our mission, vision and values.

Applicant has a “Ask the President” platform that’s fully integrated into the applicant’s defect tracking system (MERT). Each submission to “Ask the President” is read and responded to by the CEO. The CEO discusses each submission at the all hands staff meeting (it okay with the submitter). Since the submission is part of the defect tracking system (MERT) they are fed into the applicant’s process improvement process.

Another online method of communication often used by the applicant’s senior leaders are workforce engagement and satisfaction surveys. Results from these surveys are often used to make significant changes to the applicant’s work environment to improve engagement and/or satisfaction. A great example of this is the deployment of “Smart Casual” dress attire and allowances for business attire dress items.

Multiple Question:
How do they

• Encourage frank, two-way communication;
• Communicate key decisions and needs for organizational change; and
• Take a direct role in motivating the workforce toward high performance and a customer and business focus?

[Response]
Overall Question for Creating an Environment for Success:
How do SENIOR LEADERS create an environment for success now and in the future?

Our knowledge management and process improvement processes focus on building knowledge from data and improving our key processes through innovation and intelligent risk taking. A great example of this is our new Dispute Wizard process – where a combination of process improvement techniques and an intelligent risk analysis led to an automation that reduced card fraud claim cycle time for our members by 80%! The new process routinely applies instant credit to our members when certain risk thresholds are met. (Student Examiner Note: Verify measurement.)

The BPC process routinely includes guest speakers that specialize in economic and social disciplines. The guest speakers often add great value and information to our strategic planning process.

The tax-exempt status that all credit unions have is crucial to their financial success. Credit unions are not for profit and focus on providing financial value to their community as opposed to shareholders. As such we invest significant time discussing the importance of credit union tax exempt status with congress – even taking special trips to D.C. to speak with congress directly. Having the support of congress is important if we are to keep our tax-exempt status.

Multiple Question:
How do they

• Create an environment for the achievement of your MISSION;
• Create and reinforce your organizational culture, and a culture that fosters CUSTOMER and WORKFORCE ENGAGEMENT;
• Cultivate organizational agility, accountability, organizational and individual LEARNING, INNOVATION, and INTELLIGENT RISK taking; and
• Participate in succession planning and the development of future organizational leaders?

[Response]

Overall Question for Creating a Focus on Action:
How do SENIOR LEADERS create a focus on action that will achieve the organization’s MISSION?

All goals and action plans stem from our BPC and MPC process – where special attention is given to their alignment with our mission, vision and values. Our annual workforce appraisal process includes goals for every employee. All workforce appraisal goals – regardless of the level – filter up into our strategic action plans defined during the BPC and MPC events.

The BPC and MPC processes are reoccurring – making sure to include new environmental and process related information. This allows the applicant to adapt to rapidly changing information stemming from significant events and technology.
Multiple Question:
HOW do SENIOR LEADERS

- Create a focus on action that will improve the organization’s PERFORMANCE;
- Identify needed actions;
- In setting expectations for organizational performance, include a focus on creating and balancing VALUE for CUSTOMERS and other STAKEHOLDERS; and
- Demonstrate personal accountability for the organization’s actions?

1.2 Governance and Societal Contributions (50 pts)

Basic Question:
How do you govern your organization and make societal contributions?

The credit union is structured with a Board of Directors that are nominated and voted to office by the Membership. The Board’s role is governance, strategy, and ultimate responsibility of the Management of the Credit Union; their one employee is the President/CEO. (We could insert the org chart)

To balance the Board’s governance the credit union also has an Audit Committee that is responsible for all audit (internal and external) reports and findings as well as regulatory exams.

Overall Question for GOVERNANCE System:
How does your organization ensure responsible GOVERNANCE?

(Student Examiner Note: Strength)

The Applicant manages our governance and internal controls though a multi-tier system. Management and our Risk Management department are responsible for managing day to day operations and internal controls. Our Legal and Compliance Department handles all legal and regulatory items and correspondence.

The credit union outsources financial, operational, compliance, and IT audits to experts in the industry to provide annual reviews and to report to the Audit Committee on their findings. Annual risk reviews determine the areas to be audited for the year. All moderate and high risk findings are tracked and reviewed monthly by the Audit Committee.

Multiple Question:
How does your GOVERNANCE system review and achieve the following?

- Accountability for SENIOR LEADERS’ actions
- Accountability for strategy
- Fiscal accountability
- Transparency in operations
• Selection of GOVERNANCE board members and disclosure policies for them, as appropriate
• Independence and EFFECTIVENESS of internal and external audits
• Protection of STAKEHOLDER and stockholder interests, as appropriate
• Succession planning for SENIOR LEADERS?

• Senior leaders annually review and sign a code of ethics. Our system of internal controls and audit reviews bring to light any issues; as well as Ethics Point, an anonymous third-party system that Members or employees can report issues. In the event of a violation, disciplinary action would result.
• Monthly the strategic metrics are reported to the Board. In the event that the credit union is behind or not performing, Executive Management is required to present the reasons and options for moving forward.
• Monthly the financial performance of the credit union is reported to the Board. Quarterly financials are uploaded to the Credit Union’s regulators, NCUA and DBO.
• The credit union uses a system of dashboards to track operational and financial performance that all employees can view. Additionally, our Member and Employee Feedback systems encourage reporting of issues so they can be resolved.
• All Board Members are responsible for governance. Disclosures and policies are the responsibility of the Legal and Compliance Department.
• Any new audit goes out to RFP with review and final selection by the Audit Committee.
• Managed by the Board.
• Talent and potential identification via a 9-box matrix model. Followed by selective development programs.

Overall Question for Performance Evaluation:
How do you evaluate the performance of your senior leaders and your governance board?

(Student Examiner Note: How do evals improve leader effectiveness? How are bod and audit committee leaders evaluated/improved?)

Performance to strategic initiatives in our three critical success factor areas: Our Members, Our People, and Profitable Growth.

Multiple Question:
How do you use performance evaluations in determining executive compensation?

Based on the performance of The Applicant and the individual contributions, Senior Leaders receive their annual compensation increase. Our company-wide incentive program Stakeholders, rewards all employees for financial performance.
Multiple Question:
How do your senior leaders and governance board use these performance evaluations to advance their development and improve the effectiveness of leaders, the board, and the leadership system, as appropriate?

The performance evaluation feedback is included into the Leadership Development system and documentation to focus on strengths to leverage and areas for improvement in the upcoming years.

Overall Question for Legal and Regulatory Compliance:
How do you address current and anticipate future legal, regulatory, and community concerns with your products and operations?

Our legal department actively reviews upcoming laws, regulatory decisions and industry trends to review our products, processes, and services.

Multiple Question:
- How do you address any adverse societal impacts of your products and operations,
- anticipate public concerns with your future products and operations, and
- prepare for these impacts and concerns proactively?

(Student Examiner Note: Proactive to societal impacts?)
As our Members are a critical success factor, every product is ran through the frame of the Member impact and if it is not positive, the product is refined until it is.

Multiple Question:
What are your key compliance processes, measures, and goals for meeting and surpassing regulatory and legal requirements, as appropriate?

(Student Examiner Note: Strength – good process and measures)
It is not our goal to surpass regulatory requirements, as many make it more difficult for our Members to do business with us. We look to consistently meet regulatory requirements while innovating ways to surpass Member expectations. Our processes in legal and compliance.

Multiple Question:
What are your key processes, measures, and goals for addressing risks associated with your products and operations?

(Student Examiner Note: Strength – good process and measures)
- Annual Risk Assessments
- Audits
• Process Metric Performance (tracked via dashboards and at the Manage The Applicant Meeting)

Overall Question for ETHICAL BEHAVIOR:
How do you promote and ensure ethical behavior in all interactions?

Top-Down Approach and Code of Ethics modelling our values and our culture.

**Multiple Question:**
What are your key processes and measures or indicators for promoting and ensuring ethical behavior in your governance structure; throughout your organization; and in interactions with your workforce, customers, partners, suppliers, and other stakeholders?

(Student Examiner Note: Strength)

All employees annually review and sign a code of ethics. Our system of internal controls and audit reviews bring to light any issues; as well as EthicsPoint, an anonymous third-party system that Members or employees can report issues.

SM: Training... lots and lots of training... every year... =)

**Multiple Question:**
How do you monitor and respond to breaches of ethical behavior?

(Student Examiner Note: Process and measure?)

In the event of a violation, disciplinary action would result.

Overall Question for Societal Well-Being:
How do you consider societal well-being and benefit as part of your strategy and daily operations?

(Student Examiner Note: Partial Strength – how measured?)

Our mission of enriching lives and empowering dreams extends to the communities we serve. We invest heavily in time and financially to be an active partner.

**Multiple Question:**
How do you contribute to the well-being of your environmental, social, and economic systems?

- Partnerships
- Sponsorships
- Donations (Cheech)
- Scholarships
- The ApplicantCares Campaign for Members
Overall Question for Community Support:
How do you actively support and strengthen your key communities?

(Student Examiner Note: Partial Strength – how measured)

- Strong relationships (CBU, UCR, City of Riverside, RUHS, March)
- Investments (chamber, healthcare, education, military, and municipalities)

Multiple Question:
What are your key communities?

Riverside County

Multiple Question:
How do you identify them and determine areas for organizational involvement?

- Markets and Submarkets
- SEGS

Multiple Question:
How do your senior leaders, in concert with your workforce, contribute to improving these communities?

- Volunteering
- Outreach
- The ApplicantCares

2.1 Strategy Development (45 pts)

Basic Question:
How do you develop your strategy?

[Response]

Overall Question for Strategic Planning PROCESS:
How do you conduct your strategic planning?

The Applicant’s Strategy Planning is an annual process that begins with a Board Planning Conference (BPC). The conference is held in March/April, during the BPC the board reviews the credit unions strategic and operation progress, review externals market and economic data and sets new strategic goals and initiatives or confirms existing ones. Following the BPC, The Applicant has a management planning conference (MPC). The MPC is a two-day event, during the event The Applicant’s executive and senior leadership team review the strategic direction set by the board and develop 1 to 3 year action plans to meet the objectives. The annual strategic plans ends with the creation of the annual budget.
Multiple Question:
What are the KEY PROCESS steps?

- The Board Planning Conference
- Management Planning Conference
- Annual Budget Process

Multiple Question:
Who are the KEY participants?

Board of Directors, Executive Leadership and Management teams

Multiple Question:
What are your short- and longer-term planning horizons?

Short Term is 1-3 Years, Long Term is 3 to 10.

Multiple Question:
HOW are they addressed in the planning PROCESS?

The Board sets the 3 to 5-year strategic initiatives and the management team constructs the 1 to 3 year strategies and action plans to meet the board’s objectives.

Multiple Question:
How does your strategic planning PROCESS address the potential need for transformational change, prioritization of change initiatives, and organizational agility?

During the BPC, the board performs a comprehensive of the strategic position of the credit union, the financial services industry and the overall economic condition of the region. Gaps are identified and addressed through the creation of the long-term strategic initiatives.

Overall Question for INNOVATION:
How does your strategy development PROCESS stimulate and incorporate INNOVATION?

[Response]

Multiple Question:
HOW do you identify STRATEGIC OPPORTUNITIES?

[Response]

Multiple Question:
HOW do you decide which STRATEGIC OPPORTUNITIES are INTELLIGENT RISKS to pursue?

[Response]
Multiple Question:
What are your KEY STRATEGIC OPPORTUNITIES?

[Response]

Overall Question for Strategy Considerations:
HOW do you collect and analyze relevant data and develop information for use in your strategic planning PROCESS?

[Response]

Multiple Question:
In this collection and analysis, how do you include these key elements of risk?
• Your STRATEGIC CHALLENGES and STRATEGIC ADVANTAGES
• Potential changes in your regulatory and external environment
• Potential blind spots in your strategic planning PROCESS and information
• Your ability to execute the strategic plan

[Response]

Overall Question for WORK SYSTEMS and CORE COMPETENCIES:
How do you decide which KEY PROCESSES will be accomplished by your WORKFORCE and which by external suppliers, PARTNERS, and COLLABORATORS?

[Response]

Multiple Question:
How do you determine what future organizational CORE COMPETENCIES and WORK SYSTEMS you will need?

[Response]

Overall Question for KEY STRATEGIC OBJECTIVES:
What are your organization’s KEY STRATEGIC OBJECTIVES and timetable for achieving them?

[Response]

Multiple Question:
What are your most important GOALS for these STRATEGIC OBJECTIVES?

[Response]

Multiple Question:
What key changes, if any, are planned in your products, CUSTOMERS and markets, suppliers and PARTNERS, and operations

[Response]
Overall Question for STRATEGIC OBJECTIVE Considerations:
HOW do your STRATEGIC OBJECTIVES achieve appropriate balance among varying and potentially competing organizational needs?

[Response]

Multiple Question:
HOW do your STRATEGIC OBJECTIVES

• address your STRATEGIC CHALLENGES and leverage your CORE COMPETENCIES, STRATEGIC ADVANTAGES, and STRATEGIC OPPORTUNITIES;
• balance short- and longer-term planning horizons; and
• consider and balance the needs of all KEY STAKEHOLDERS?

[Response]

2.2 Strategy Implementation (40 pts)

Basic Question:
How do you implement your strategy?

Overall strategy is defined by the board and senior management through an annual board planning conference (BPC). The planning conference includes historical performance information as well as guest speakers with insights on the economy. Output of the BPC (strategy) is used as input and direction for the annual management planning conference (MPC) – where the entire management team meet and formulate specific action plans to achieve the strategic direction defined at the BPC.

Overall Question for ACTION PLANS:
What are your KEY short- and longer-term ACTION PLANS?

Short Term: Member Satisfaction, Employee Engagement, Member Retention. Long Term: Membership Growth, Asset Size, Physical Locations.

Multiple Question:
What is their relationship to your STRATEGIC OBJECTIVES?

All action plans stem from strategic direction defined at the BPC.

Multiple Question:
HOW do you develop your ACTION PLANS?

All action plans are developed during the MPC from strategic direction defined at the BPC.

Overall Question for ACTION PLAN Implementation
HOW do you DEPLOY your ACTION PLANS?
Once action plans are developed by management during the MPC – they are aggregated into project plans by the internal Project Management Office (PMO). Once project charters are defined – they are aligned and prioritized by the senior management team. Once the projects/action plans are aligned and prioritized – they are scheduled based on internal/external resource alignment.

Multiple Question:
HOW do you deploy your ACTION PLANS to your WORKFORCE and to KEY suppliers, PARTNERS, and collaborators, as appropriate, to ensure that you achieve your KEY STRATEGIC OBJECTIVES?

All action plans are deployed as strategic projects. As such they are managed as stand projects – governed by a project charter, sponsored by senior management and assigned project resources (internal or external).

Multiple Question:
HOW do you ensure that you can sustain the KEY outcomes of your ACTION PLANS?

Weekly status meetings (tollgates) are held with senior management where in-progress strategic projects (strategic action plans) are discussed. Special focus is given to milestone timing and action plan alignment.

Overall Question for Resource Allocation:
HOW do you ensure that financial and other resources are available to support the achievement of your ACTION PLANS while you meet current obligations?

Since all action plans are deployed as strategic projects – they are scheduled and budgeted for (both financially and from a resource standpoint) by the internal PMO.

Multiple Question:
HOW do you allocate these resources to support the plans?

[Response]

Multiple Question:
HOW do you manage the risks associated with the plans to ensure your financial viability?

[Response]

Overall Question for PERFORMANCE MEASURES:
What KEY PERFORMANCE MEASURES or INDICATORS do you use to track the achievement and EFFECTIVENESS of your ACTION PLANS?

Part of the project charter (and therefore action plan deployment) process includes defining KPIs that indicate performance. The PMO delivers a strategic project report that reports the overall status for all strategic projects (action plans) and recent performance metrics for strategic projects (action plans) already completed (implemented).
Most strategic projects (action plans) focus on increasing member satisfaction, expanding membership growth, improving member service, increasing productivity and improving workforce engagement.

**Multiple Question:**
HOW does your overall ACTION PLAN measurement system reinforce organizational ALIGNMENT?

Since our action plans are the result of our MPC process, and therefore our BPC processes – both organizational and strategic alignment is assured.

**Overall Question for PERFORMANCE PROJECTIONS:**
For these KEY PERFORMANCE measures or INDICATORS, what are your PERFORMANCE PROJECTIONS for your short- and longer-term planning horizon?

[Response]

**Multiple Question:**
If there are gaps between your projected PERFORMANCE and that of your competitors or comparable organizations, HOW do you address them in your ACTION PLANS?

[Response]

**Overall Question for ACTION PLAN Modification:**
HOW do you recognize and respond when circumstances require a shift in ACTION PLANS and rapid execution of new plans?

The weekly strategic project tollgate meeting covers potential shifts in priority and issues that may impact the overall project plan. Senior management present at the meeting is available to adjust budget and resource allocation where necessary.

**3.1 CUSTOMER Expectations (40 pts)**

**Basic Question:**
HOW do you listen to your CUSTOMERS and determine products and services to meet their needs?

- MLG (**Examiner Note**: Process and reporting evident)
- Facebook
- Instagram
- Twitter
- Feedback given to employees by Members. (**Examiner Note**: Process and reporting evident)
- MERT
- Yelp
### Overall Question for Current CUSTOMERS:
**HOW do you listen to, interact with, and observe CUSTOMERS to obtain actionable information?**

- Facebook – Interact with Members
- MLG – Follow up to Member complaints *(Examiner Note: Process and reporting evident)*
- MERT – Employees provide feedback from Members about process breaks and products they would like to see us offer. *(Examiner Note: Process and reporting evident)*
- BI – Track product data to spot Member trends – positive and negative

**Multiple Question:**
**HOW do your listening methods vary for different CUSTOMERS, CUSTOMER groups, or market SEGMENTS?**

I don’t think there is much variation to the listening method by segment.

**Multiple Question:**
**HOW do your listening methods vary across the CUSTOMER life cycle?**

It is consistent over the full life cycle.

**Multiple Question:**
**HOW do you seek immediate and actionable feedback from CUSTOMERS on the quality of products, CUSTOMER support, and transactions?**

MLG – Very quick turnaround time for feedback to reach us. *(Examiner Note: Process and reporting evident)*

### Overall Question for Potential CUSTOMERS:
**HOW do you listen to potential CUSTOMERS to obtain actionable information?**

- Brand awareness survey being conducted as we speak by Westbound.
- Millennial focus groups (Member and Non Member in 2017)

**Multiple Question:**
**HOW do you listen to former CUSTOMERS, competitors’ CUSTOMERS, and other potential CUSTOMERS to obtain actionable information on your products, CUSTOMER support, and transactions, as appropriate?**

- Closed account surveys
- Yelp

### Overall Question for CUSTOMER Segmentation:
**HOW do you determine your CUSTOMER groups and market segments?**

- Field of Membership
- Millennials
- Latino Focus
• Underserved

Multiple Question:
HOW do you

• use information on CUSTOMERS, markets, and product offerings to identify current and anticipate future CUSTOMER groups and market SEGMENTS; and
• determine which CUSTOMERS, CUSTOMER groups, and market SEGMENTS to emphasize and pursue for business growth?
  - Underserved – Coachella Branch
  - Banning/Beaumont – Member feedback through employees and Social Media
  - Latino – Demographics
  - Logistics – County employer data
  - Former branch areas and locations (San Jacinto and Hemet)

Overall Question for Product Offerings:
HOW do you determine product offerings?

• Member feedback
• Market needs
• Employee feedback
• Competitor offerings
• Innovation

Multiple Question:
HOW do you

• determine CUSTOMER and market needs and requirements for product offerings and services;
• identify and adapt product offerings to meet the requirements and exceed the expectations of your CUSTOMER groups and market segments; and
• identify and adapt product offerings to enter new markets, to attract new CUSTOMERS, and to create opportunities to expand relationships with current CUSTOMERS, as appropriate?
  • Employee Feedback/Innovation
  • Brand Awareness survey
  • Closed account survey
  • Member Feedback – MLG (account maintenance fees)
  • SMART Loan Revisions

3.2 CUSTOMER Engagement (45 pts)

Basic Question:
HOW do you build relationships with CUSTOMERS and determine satisfaction and engagement?
Overall Question for Relationship Management:
HOW do you build and manage CUSTOMER relationships?

- Branch Interactions
- Call Center Interactions
- Business Development
- MLG (Examiner Note: Process and reporting evident)
- Mobile banking
- Digital marketing
- Sales Team

**Multiple Question:**
HOW do you market, build, and manage relationships with CUSTOMERS to
- acquire CUSTOMERS and build market share;
- manage and enhance your brand image;
- retain CUSTOMERS, meet their requirements, and exceed their expectations in each stage of the CUSTOMER life cycle?

- Member Testimonials
- Digital and Traditional Marketing
- Savvy – Online banking
- E-Mail
- Member Journey
- Website
- Community Giving and Support

Overall Question for CUSTOMER Access and Support:
HOW do you enable CUSTOMERS to seek information and support?

- Online banking
- Call Center
- Branches
- Website
- Sales Team - Temenos

**Multiple Question:**
HOW do you enable them to conduct business with you?

- Electronic
Multiple Question:
What are your key means of CUSTOMER support and communication?

- Phone
- Social Media
- E-Mail
- In person

Multiple Question:
HOW do they vary for different CUSTOMERS, CUSTOMER groups, or market SEGMENTS, as appropriate?

- Millennials – digital
- Baby boomers – phone and in person

Multiple Question:
HOW do you
- determine your CUSTOMERS’ KEY support requirements, and
- DEPLOY these requirements to all people and processes involved in CUSTOMER support?

- Not sure how we determine
- Deployed digitally – website (employees and Members)
- Deployed traditionally – collateral in branches

Overall Question for Complaint Management:
HOW do you manage CUSTOMER complaints?

- MLG
- Social Media
- Yelp

Multiple Question:
HOW do you resolve complaints promptly and EFFECTIVELY?

- MLG Procedures
- Social Media procedures
- Yelp procedures

Multiple Question:
HOW does your management of complaints enable you to recover your CUSTOMERS’ confidence, enhance their satisfaction and ENGAGEMENT, and avoid similar complaints in the future?

MLG resolution feedback (Examiner Note: Process and reporting evident)

Overall Question for Satisfaction, Dissatisfaction, and Engagement:
HOW do you determine CUSTOMER satisfaction, dissatisfaction, and ENGAGEMENT?
Multiple Question:
HOW do your determination methods differ among your CUSTOMER groups and market segments, as appropriate?

Not sure if they do

Multiple Question:
HOW do your measurements capture actionable information?

- Direct feedback from Members on satisfaction (Examiner Note: Process and reporting evident)
- Direct data about Services/HH that show engagement

Overall Question for Satisfaction Relative to Other Organizations:
HOW do you obtain information on CUSTOMERS’ satisfaction with your organization relative to other organizations?

MLG provides comparative data (Examiner Note: Process and reporting evident)

Multiple Question:
HOW do you obtain information on your CUSTOMERS’ satisfaction
relative to their satisfaction with your competitors; and
relative to the satisfaction of CUSTOMERS of other organizations that provide similar PRODUCTS or to industry BENCHMARKS, as appropriate?

Other than MLG, not sure if we have any

Overall Question for Use of VOICE-OF-THE-CUSTOMER and Market Data:
HOW do you use VOICE-OF-THE-CUSTOMER and market data and information?

- Products
- Process Improvement
- Staffing
- Service Levels and Standards
- Service channels and methods

Multiple Question:
HOW do you use VOICE-OF-THE-CUSTOMER and market data and information to build a more CUSTOMER-focused culture and support operational decision making?

- MLG feedback is key (Examiner Note: Process and reporting evident)
- Social media feedback too
- Provides direct feedback from Member
- MERT is also important for Members and Employees to feel they have a voice to make changes (Examiner Note: Process and reporting evident)
4.1 Measurement, Analysis, and Improvement of Organizational PERFORMANCE (45 pts)

Basic Question:
How do you measure, analyze, and then improve organizational performance?

The applicant measures, analyzes and improves organizational performance through Performance Metrics and Process Improvement. Each line of business manages Key Process Indicators (KPI) for their respective area. These KPIs are directly tied to The Applicant’s strategic plan and are reported to the all hands management meeting every month.

The applicant’s process improvement process depends on three steps: Defect Identification, RCA and Improve and Implement and Monitor. As you can see from the figure—this process is circular and output from each cycle is used for future iterations.

Overall Question for PERFORMANCE MEASURES:
HOW do you track data and information on daily operations and overall organizational PERFORMANCE?

Member support and online banking / credit card transaction processing are the applicants most critical operational processes. Daily information regarding performance metrics critical to the applicant’s membership (in-branch line wait times, number of false positive card fraud blocks, service/performance issues with the applicant’s digital channel) are collected and monitored.
Summarized results are reported to the all management meeting monthly. Results are reviewed throughout the month for potential defect identification process improvement potential.

**Multiple Question:**
HOW do you

- select, collect, align, and integrate data and information to use in tracking daily operations and overall organizational PERFORMANCE and
- track progress on achieving STRATEGIC OBJECTIVES and ACTION PLANS?

While each line of business has its own method of collecting and aggregating KPIs, each KPI is alignment with the applicant’s strategic plan by senior management. All KPIs are expected to have 12 months of trend data and industry/competitor comparisons.

**Multiple Question:**
What are your key organizational PERFORMANCE MEASURES, including key short- and longer-term financial MEASURES?

- Member Satisfaction
- Employee Engagement
- Member Growth
- Member Retention
- Income, Assets, Capital, DQ Ratio
- Cycle Time (Loan Funding, Call Center, Internal Support Operations)
- Systems Availability (ATMs, Online Banking, Cards, Internal Support Systems)

**Multiple Question:**
HOW frequently do you track these MEASURES?

Daily, Monthly, Yearly

**Overall Question for Comparative Data:**
HOW do you select comparative data and information to support fact-based decision making?

Comparisons to other similar financial institutions are included in all KPI metrics if available as well as industry averages. KPI metrics are compared to top performers if that information is available.

**Overall Question for Measurement Agility:**
HOW do you ensure that your PERFORMANCE measurement system can respond to rapid or unexpected organizational or external changes and provide timely data?

Most of the applicant’s performance measures (KPIs) analyze raw process data. That said, changes in the process or environment changes that impact process output are routinely visible right away in the impacted KPI. All KPI variances are viewed as a potential process improvement opportunity.
**Overall Question for PERFORMANCE Analysis and Review**

HOW do you review your organization’s PERFORMANCE and capabilities?

All KPIs not only include comparisons to peers and best practices, but each KPI also includes a performance goal. Each KPI performance goal is defined by senior management and is based on several indicators which includes at a minimum (previous performance trends, industry best practice, strategic direction). Most KPI performance goals set performance and appraisal goals for staff. KPI goal performance is measures monthly at the all management meeting and throughout the year with staff.

*Multiple Question:*

HOW do you use your key organizational PERFORMANCE MEASURES, as well as comparative data, in these reviews?

[Response]

*Multiple Question:*

What ANALYSES do you perform to support these reviews and ensure that conclusions are valid?

[Response]

*Multiple Question:*

HOW do your organization and its senior leaders use these reviews to

- assess organizational success, competitive PERFORMANCE, financial health, and progress on achieving your strategic objectives and ACTION PLANS; and
- respond rapidly to changing organizational needs and challenges in your operating environment?

[Response]

*Multiple Question:*

HOW does your GOVERNANCE board review the organization’s PERFORMANCE and its progress on strategic objectives and ACTION PLANS, if appropriate?

[Response]

**Overall Question for Future PERFORMANCE:**

HOW do you project your organization’s future PERFORMANCE?

Performance KPIs include trend analysis. Slowly changing process results can often be seen in the trend analysis. Trends are often discussed at the monthly all management meeting where management is expected to discuss previous process results and potential actions if the trends continue.
Multiple Question:
HOW do you use findings from PERFORMANCE reviews and key comparative and competitive data in your PROJECTIONS?

[Response]

Overall Question for Continuous Improvement and INNOVATION:
HOW do you use findings from PERFORMANCE reviews to develop priorities for continuous improvement and opportunities for INNOVATION?

Opportunities that are discovered through the performance review and process improvement processes are reviewed by the senior management team and prioritized.

Multiple Question:
HOW do you deploy these priorities and opportunities

• to work group and functional-level operations; and
• when appropriate, to your suppliers, PARTNERS, and COLLABORATORS to ensure organizational ALIGNMENT?

Once the opportunities are approved and prioritized by senior management the internal Project Management Office (PMO) created a project plan for internal/external project resources.

4.2 Information and Knowledge Management (45 pts)
Basic Question:
HOW do you manage your information and your organizational knowledge assets?

Knowledge is gained through the analysis of information. Information is generated through the systematic aggregation and relation of data. Therefore, the first step in knowledge management is the process of transforming data into information. Since information drives what The Applicant “knows” (Knowledge) and subsequently how it “learns” (Understanding and Wisdom), the process of generating information is the most critical step in the The Applicant’s Knowledge Management Process.
Information generated in The Applicant’s environment is stored and published through its operational and analytical data warehouse systems as metrics and dashboards. Knowledge and wisdom gained from information metrics and dashboards is used for intelligent decision making and ongoing strategic planning.

**Overall Question for Quality:**

**HOW do you verify and ensure the quality of organizational data and information?**

Most data in The Applicant’s environment is generated by its financial core data processing system. The financial core funnels transactional data used to generate information through a dual-accounting process – where aggregated transactional data is balanced with general ledger data. This built in accounting process ensures that data extracted from The Applicant’s financial core is always reliable and maintains high levels of quality.

**Multiple Question:**

**HOW do you manage electronic and other data and information to ensure their accuracy and validity, integrity and reliability, and currency?**

Most electronic information is generated from data extracted directly from transaction processing systems. The process of extracting and loading the data (ETL) is automated with little to no human intervention. All automated jobs are configured to alert technical staff if errors occur during the ETL process. Once loaded into The Applicant’s operational and analytical data warehouses, metrics are analyzed to uncover potential variances in the quality of the newly compiled information.

**Overall Question for Availability:**

**HOW do you ensure the availability of organizational data and information?**
Monitoring systems are used to measure both the availability of technology systems and potential issues with performance. The availability of critical systems is rolled into a Systems Availability metric which is reported during the monthly Manage The Applicant meetings and to the Board of Directors quarterly. The Systems Availability metric is often used to justify investments into new systems and enhanced technology. Availability of critical systems not hosted by The Applicant (cloud) are included in the Systems Availability metric and related goals extended to vendors and business partners.

**Multiple Question:**
HOW do you make needed data and information available in a user-friendly format and timely manner to your WORKFORCE, suppliers, PARTNERS, COLLABORATORS, and CUSTOMERS, as appropriate?

Information is normally made available to The Applicant’s workforce and collaborators through monthly metrics. The metrics are always aligned with strategic goals set by The Applicant’s planning conferences (BPC, MPC) and are published/discussed by management during the monthly Manage The Applicant meetings. Most information made available to The Applicant’s membership (customers) is published through The Applicant’s main website as product information and disclosures.

**Multiple Question:**
HOW do you ensure that your information technology systems are reliable and user-friendly?

In addition to monitoring the availability of The Applicant’s systems, system reliability and user-friendliness are measured through The Applicant’s Member Experience Reporting Tool (MERT). MERT collects and aggregates comments from staff and members about The Applicant systems and processes. Data collected by The Applicant’s MERT system is aggregated and filtered through The Applicant’s Knowledge Management Process.

**Overall Question for Knowledge Management:**
HOW do you build and manage organizational knowledge?

Using short- and long-term goals defined through the Board Planning and Management Planning Conferences (BPC, MPC), information needs are defined. The need for new sources of information is also defined through The Applicant’s Process Improvement (PI) process and monthly management meetings.

If newly defined required information is not already available, key stakeholders (internal and external) are engaged to develop systematic procedures for generating the needed information. Newly developed procedures for extraction, transformation and load (ETL) of new information is automated into The Applicant’s operational and analytical data warehouses.
As a service base company – member sentiment is extremely valuable. The Applicant is currently working with business partners to extract member sentiment data from comments submitted through The Applicant’s main website and during ongoing member satisfaction surveys. Once the sentiment data is validated and compiled into information it will be included in The Applicant’s Knowledge Management Process.

Multiple Question:
HOW do you

• collect and transfer WORKFORCE knowledge;
• blend and correlate data from different sources to build new knowledge;
• transfer relevant knowledge from and to CUSTOMERS, suppliers, PARTNERS, and COLLABORATORS; and
• assemble and transfer relevant knowledge for use in your INNOVATION and strategic planning PROCESSES?

Workforce knowledge is collected and managed through The Applicant’s Knowledge Management Process. Depending on the type of information required, key stakeholders (internal and external) collaborate to extract, transform and load (ETL) data into The Applicant’s operational and analytical data warehouses. The Applicant’s analytical data warehouse system uses a STAR schema – where data from varying sources is “blended” and “sliced” into new information.

The Applicant’s Knowledge Management Process ensures that information and knowledge are systematically created by and fed into The Applicant’s strategic/operational planning processes.

Overall Question for Best Practices:
HOW do you share best practices in your organization?

Best practices are published as procedures and standards in The Applicant’s operations manual (AskOps). AskOps a web-based content solution where employee can search for and review operational procedures and forms often required by the workforce (W2, current rates etc.). The Applicant’s monthly all staff and management meetings include departmental spotlights. These spotlights provide informational updates which often contain best practices for the workforce.

Multiple Question:
HOW do you identify internal and external organizational units or operations that are HIGH PERFORMING?

The Applicant’s strategic planning process sets the bar for workforce performance measurement. The annual appraisal process is driven by The Applicant’s strategic direction and customized to measure workforce performance attributes – specific to each positional role. The Applicant’s appraisal process is the primary method for identifying high
performing workforce units and drives the annual merit and Stakeholder incentive programs.

Service and support are critical internally as it is for our members. Effective Internal service and support to our front-line teams allows them to in-turn provide exemplar service to our members. Internal support surveys are compiled at least twice a year. These surveys measure how well our back-office departments provide support to our front-line teams. Results of the surveys are shared at the monthly management meetings where department owners provide analysis and insight into the results. Information and knowledge gain through the internal support surveys are fed into The Applicant’s Knowledge Management Process.

**Multiple Question:**
HOW do you identify best practices for sharing and implement them across your organization, as appropriate?

Best practices are defined by both external and internal factors. Externally, best practices are identified through regulatory and industry standards and recommendations. Internally, best practices are identified through an analysis of high performing service and performance metrics.

**Overall Question for Organizational LEARNING:**
HOW do you use your knowledge and resources to embed LEARNING in the way your organization operates?

The Applicant’s Knowledge Management Process leverages its strategic and operational planning processes (BPC, MPC) to define requirements for information. The Knowledge Management Processes then fuses information and knowledge gained back into both planning processes and ongoing management meetings.

Information and knowledge gained from The Applicant’s Knowledge Management Process is also funneled into The Applicant’s Process Improvement (PI) process. The synergy between both processes ensures that learning is embedded into how The Applicant manages its knowledge and information and improves its processes.

5.1 WORKFORCE Environment (40 pts)

**Basic Question:**
How do your senior leaders lead the organization?

Senior leaders work with the board of directors to define overall strategic direction during the BPC. Senior leaders participate in the MPC where action plans are developed. Senior leaders make sure potential action plans are aligned with the strategic direction developed during the BPC.
Overall Question for CAPABILITY and CAPACITY Needs:

HOW do you assess your WORKFORCE CAPABILITY and CAPACITY needs?

In addition to KPI performance metrics, employee engagement surveys are taken throughout the year. The surveys drive our employee engagement metrics. Management closely monitors key process metrics and employee engagement results to gauge overall workforce capability and capacity needs.

Multiple Question:

HOW do you assess the skills, competencies, certifications, and staffing levels you need?

Our human resources department performs a regular assessment of every workforce position. The assessment includes a review of position requirements and industry average around salary and benefits.

Overall Question for New WORKFORCE Members:

HOW do you recruit, hire, and onboard new WORKFORCE members?

The need for new workforce members is always tied to a need defined by an action plan or by our overall strategic direction. New positions are posted on our website and on several popular recruiting websites (Indeed.com, Dice.com). We may use a recruiting firm in special cases where specific hard to find skills are required.

Our onboarding process includes the Human Resources, Information Technology, Facilities and the hiring department. The process focuses on making sure the new workforce member has everything they need to do their job on day one. The process is officially documented (SIPOC, Swingline) and includes KPIs which are reported to the all managers meeting monthly.

Multiple Question:

HOW do you ensure that your WORKFORCE represents the diverse ideas, cultures, and thinking of your hiring and CUSTOMER communities?

[Response]

Multiple Question:

HOW do you ensure the fit of new WORKFORCE members with your organizational culture?

[Response]

Overall Question for WORKFORCE Change Management:

HOW do you prepare your WORKFORCE for changing CAPABILITY and CAPACITY needs?

If throughout the year workforce needs change and new workforce members are required to increase capacity – we have a proposal process where managers can request the additional employee. The report must contain supporting information and is approved or denied by the senior leadership team at the weekly senior management meeting.
During the budget process goals are set for annual growth and production. Capacity needs are estimated during the budget process and if new workforce members are required to meet goals they are included in the annual budget.

**Multiple Question:**

HOW do you

- balance the needs of your WORKFORCE and your organization to ensure continuity, prevent WORKFORCE reductions, and minimize the impact of any necessary reductions;
- prepare for and manage any periods of WORKFORCE growth; and
- prepare your WORKFORCE for changes in organizational structure and work systems, when needed?

[Response]

**Overall Question for Work Accomplishment:**

HOW do you organize and manage your WORKFORCE?

Our workforce is managed through top-down management approach. Workforce goals at the lowest level aggregate up into higher level goals in middle management and into strategic goals and action plans for upper and senior management. This assures that our entire workforce is working in the same direction and to fulfill the same strategic direction defined by the board of directors.

Monthly all staff meetings create a platform for communicating new and changing information to the workforce. Annual kickoff events help set the stage for the new year by communicating the overall strategic direction for the year.

**Multiple Question:**

HOW do you organize and manage your WORKFORCE to

- accomplish your organization’s work,
- capitalize on your organization’s CORE COMPETENCIES,
- reinforce a CUSTOMER and business focus, and
- exceed PERFORMANCE expectations?

[Response]

**Overall Question for Workplace Environment:**

HOW do you ensure workplace health, security, and accessibility for the WORKFORCE?

[Response]

**Multiple Question:**

What are your PERFORMANCE MEASURES and improvement GOALS for your workplace environmental factors?

[Response]
Overall Question for WORKFORCE Benefits and Policies:
HOW do you support your WORKFORCE via services, benefits, and policies?

Workforce surveys help define what services and benefits are most important to our staff. Policy decisions pertaining to training, dress code, benefits and salary are bolstered with information compiled through our workforce survey process.

Multiple Question:
HOW do you tailor these to the needs of a diverse WORKFORCE and different WORKFORCE groups and SEGMENTS?

Response

5.2 WORKFORCE ENGAGEMENT (45 pts)

Basic Question:
HOW do you engage your WORKFORCE for retention and high PERFORMANCE?

Workforce engagement is measured throughout the year in several ways. Our primary way of measuring workforce engagement is by surveying the workforce directly. The responses are anonymous down to the department and highlight all areas of the company (management, goals, communication, benefits, salary, work environment, peers).

Our company enters local “best company to work for” competitions throughout the year. Results are compiled from responses from our workforce and key attributes measures by the firm conducting the competition. We routinely finish at the top of the list and won “best company to work for” several times.

Overall Question for Drivers of ENGAGEMENT:
HOW do you determine the KEY drivers of WORKFORCE ENGAGEMENT?

Our workforce engagement assessment process (surveys) measures how emotionally connected our workforce is to our mission, vision and values. Specifically, the process measures how well our management team aligns day to day tasks with our mission, vision and values and if that alignment results in a positive work environment.

Multiple Question:
HOW do you determine these drivers for different WORKFORCE groups and SEGMENTS?

Response

Overall Question for Assessment of ENGAGEMENT:
HOW do you assess WORKFORCE ENGAGEMENT?
In addition to workforce survey responses, other metrics give us insight into workforce engagement. Voluntary turnover is measured and reported to the all managers meeting monthly.

*Multiple Question:*
What formal and informal assessment methods and MEASURES do you use to determine WORKFORCE satisfaction and WORKFORCE ENGAGEMENT?

[Response]

*Multiple Question:*
HOW do these methods and MEASURES differ across WORKFORCE groups and SEGMENTS?

[Response]

*Multiple Question:*
HOW do you empower your WORKFORCE?

[Response]

**Overall Question for Organizational Culture:**
HOW do you foster an organizational culture that is characterized by open communication, high PERFORMANCE, and an engaged WORKFORCE?

Open and collaborative communication is crucial for innovative cultures to flourish. Our innovative culture starts at the highest levels with our BPC – where our board of directors and senior management define and validate our strategic direction. Various collaborative tools (affinity etc.) are used to foster ideas and aggregate results.

Collaboration and innovation are achieved further at our MPC – where management from all levels of the company innovate action plans to realize the strategic direction defined during the BPC. All action plans selected for deployment are transforms into strategic project charters where key elements of the action plan are defined (SIPOC, Swimlane, KPIs).

Results (KPIs) of all strategic actions plans are reported to senior management and the board of directors for future strategic planning sessions.

*Multiple Question:*
HOW do you reinforce your organizational culture?

[Response]

*Multiple Question:*
HOW do you ensure that your organizational culture supports your vision and values, and benefits from the diverse ideas, cultures, and thinking of your WORKFORCE?

[Response]
Multiple Question:
HOW do you empower your WORKFORCE?

[Response]

Overall Question for PERFORMANCE Management:
HOW does your WORKFORCE PERFORMANCE management system support high PERFORMANCE?

Our annual workforce appraisal process is goal-based. Every employee has goals that filter up to strategic action plans. Once all appraisals have been submitted salary increases are awarded based on an overall distribution of performance – with the highest increases going to the best performing employees.

We have a profit-sharing program that monitors specific KPIs throughout the year. The program gives each employ a on-time payout every year based on KPI performance. Our CFO gives an update at each monthly all staff meeting. The update includes a detailed analysis of KPI performance and an estimated payout amount.

Multiple Question:
HOW does it consider WORKFORCE compensation, reward, recognition, and incentive practices?

[Response]

Multiple Question:
HOW does it reinforce INTELLIGENT RISK taking, a CUSTOMER and business focus, and achievement of your ACTION PLANS?

[Response]

Overall Question for PERFORMANCE Development:
HOW does your LEARNING and development system support the personal development of WORKFORCE members and your organization’s needs?

[Response]

Multiple Question:
HOW does it consider the LEARNING and development desires of WORKFORCE members, support organizational PERFORMANCE improvement and INTELLIGENT RISK taking, and support ethics and ethical business practices?

[Response]

Overall Question for LEARNING and Development Effectiveness:
HOW do you evaluate the effectiveness and efficiency of your LEARNING and development system?
Multiple Question:
HOW do you
• correlate LEARNING and development outcomes with findings from your assessment of WORKFORCE ENGAGEMENT and with KEY business RESULTS, and
• use these correlations to identify opportunities for improvement both in WORKFORCE ENGAGEMENT and in LEARNING and development offerings?

Overall Question for Career Development:
HOW do you manage career development for your WORKFORCE and your future leaders?

Multiple Question:
HOW do you carry out succession planning for management, leadership, and other KEY positions?

6.1 WORK PROCESSES (45 pts)

Basic Question:
HOW do you design, manage, and improve your KEY products and WORK PROCESSES?

Key products are designed around the needs of our Members, whereas processes are designed around the needs of our Members, business and regulatory requirements. Key processes and products are delivered through either in-house or 3rd party software and are managed by staff. Ongoing improvements to key processes and products emerge from Member survey feedback, industry involvement or technology enhancements and are implemented through a formalized project management process.

Overall Question for Determination of Product and Process Requirements:
HOW do you determine KEY product and WORK PROCESS requirements?

Requirements are based on the changing needs of our Membership as well as the needs of the business. Due to the landscape of our industry, regulatory requirements are a factor in developing requirements. To understand Member requirements, we listen to survey feedback comments and themes to determine the process output requirements. Additionally, key processes must align with The Applicant’s Critical Success Factors to meet the needs of the business and must not impede on any regulatory directives.
**Overall Question for KEY WORK PROCESSES:**
What are your organization’s KEY WORK PROCESSES?

Opening a membership, processing a loan application, opening banking products, facilitating in-person transactions, providing online account access.

*Multiple Question:*
What are the KEY requirements for these WORK PROCESSES?

[Response]

**Overall Question for Design Concepts:**
HOW do you design your products and WORK PROCESSES to meet requirements?

Products and processes are designed with the Member in mind, while meeting business and regulatory requirements. Feedback from Members consistently point to three overall desires which are consistency, accuracy and personalized service. Meeting these objectives are

*Multiple Question:*
HOW do you incorporate new technology, organizational knowledge, product excellence, CUSTOMER VALUE, consideration of risk, and the potential need for agility into these products and PROCESSES?

[Response]

**Overall Question for Process Implementation:**
HOW do you ensure workplace health, security, and accessibility for the WORKFORCE?

[Response]

*Multiple Question:*
What KEY PERFORMANCE MEASURES or INDICATORS and in-process MEASURES do you use to control and improve your WORK PROCESSES?

[Response]

*Multiple Question:*
HOW do these MEASURES relate to end-product quality and PERFORMANCE MEASURES?

[Response]

**Overall Question for Support PROCESSES:**
HOW do you determine your KEY support PROCESSES?

Key support processes are developed to allow service delivery processes to take place as well as meet business and regulatory needs. An example of this would be compliance processes, which are designed to set boundaries for service delivery processes and at the same time meet
regulatory requirements and fill a business need. Most key processes require several support processes to take place.

*Multiple Question:*
What are your KEY support PROCESSES?

[Response]

*Multiple Question:*
HOW does your day-to-day operation of these PROCESSES ensure that they meet KEY business requirements?

[Response]

**Overall Question for Product and Process Improvement:**
HOW do you improve your WORK PROCESSES and support PROCESSES to improve products and process PERFORMANCE, enhance your CORE COMPETENCIES, and reduce variability?

The Applicanthas formed a team of individuals (Delta Team) that are trained in utilizing six sigma process improvement tools to identify and improve processes and reduce variability in processes throughout the organization. This team consists of 28 staff Members that are trained and meet regularly to review current improvement efforts.

**Overall Question for Supply-Network Management:**
HOW do you manage your supply network?

The Applicant’s supply network consists of a variety of vendors that work together with The Applicantto deliver financial services. These vendors are periodically reviewed and prioritized by criticality to their impact to the organization. Vendors that are deemed high or medium are reviewed annually for financial stability and regulatory compliance among other items.

*Multiple Question:*
HOW do you select suppliers that are qualified and positioned to meet your operational needs, enhance your PERFORMANCE, support your STRATEGIC OBJECTIVES, and enhance your CUSTOMERS’ satisfaction?

The process for selecting suppliers begins with a review of The Applicant’s business needs and requirements. Once there is clarity on these items, an RFP is issued to allow for vendors to compete for the service. RFP’s result into demonstrations of the service and the vendors are narrowed down to just a few. Ultimately a vendor is selected, and the project phase begins. Alignment with The Applicant’s business and growth needs is embedded within the vendor selection phase.

*Multiple Question:*
HOW do you

- promote ALIGNMENT and collaboration within your supply network;
• ensure supply-network agility in responding to changes in customer, market, and organizational requirements; and
• communicate PERFORMANCE expectations, measure and evaluate suppliers’ PERFORMANCE, provide feedback to help them improve, and deal with poorly performing suppliers?

[Response]

Overall Question for INNOVATION Management:
HOW do you pursue your opportunities for INNOVATION?

Innovation typically comes from management’s willingness to allow other viewpoints on a topic. The Delta team does drive innovation, but management has created a channel for all employees to take part in innovation through a formal tracking system, MERT. MERT is The Applicant’s feedback tool that also allows all employees to enter an idea or suggestion on improving or creating a process. Those suggestions are tracked and forwarded to Management each week for review. Viable opportunities are then identified and pursued.

Multiple Question:
HOW do you pursue the STRATEGIC OPPORTUNITIES that you determine are INTELLIGENT RISKS?

[Response]

Multiple Question:
HOW do you decide to discontinue pursuing opportunities at the appropriate time?

[Response]

6.2 Operational EFFECTIVENESS (40 pts)
Basic Question:
HOW do you ensure effective management of your operations?

Key operational processes are clearly defined (SIPOC, Swimlane) and process metrics are defined. Process metrics measure varying information based on the process (production, cycle time, survey results, defect count). Operational process metric results are reviewed during the monthly all management meeting.

Overall Question for Process Efficiency and EFFECTIVENESS:
HOW do you manage the cost, efficiency, and EFFECTIVENESS of your operations?

Since we’re a service organization – metrics that focus on member service and member experience receive the most attention. Cycle time (also strongly connected to member experience) is also a primary focus when it comes to member (external and internal) service.
**Multiple Question:**

HOW do you

- incorporate CYCLE TIME, PRODUCTIVITY, and other efficiency and EFFECTIVENESS factors into your work PROCESSES;
- prevent defects, service errors, and rework;
- minimize warranty costs or CUSTOMERS’ PRODUCTIVITY losses, as appropriate;
- minimize the costs of inspections, tests, and process or PERFORMANCE audits, as appropriate; and
- balance the need for cost control and efficiency with the needs of your CUSTOMERS?

Cycle time and productivity is measured for most key operational processes (Call Center / Branch service times, loan application / approval time). Where possible required approval processes are risk-rated and automated to further speed up the time it takes to provide service to our members (card dispute wizard).

Defects that cause friction to our members (system outages, credit card fraud false positive rates) are measured and reporting to management at the monthly all managers meeting. Process improvement is performed for all variances or for KPI metrics that perform at unsatisfactory levels.

**Overall Question for Security and Cybersecurity:**

HOW do you ensure the security and cybersecurity of sensitive or privileged data and information and of KEY assets?

We have several processes for ensuring the security and cyber security of our member information. The first step is classifying our data. Our data classification process clearly segments our data and specifies how sensitive each data source is. Various security control processes are applied to the data based on its defined sensitivity level. The following are example security control processes that are applied in our environment: Encryption In-Flight, Encryption At-Rest, Network Segmentation, Packet Filtering, Intrusion Detection/Prevention, Application Control, Malware Prevention, Behavior Monitoring, Staff Phishing Performance.

**Multiple Question:**

HOW do you manage physical and electronic data, information, and KEY operational systems to ensure confidentiality and only appropriate physical and electronic access?

We employ role-based security practices for both physical and electronic security. Our user access review process ensures that new and existing users are assigned to correct security roles.

**Multiple Question:**

HOW do you

- maintain your awareness of emerging security and cybersecurity threats;
• ensure that your WORKFORCE, CUSTOMERS, PARTNERS, and suppliers understand and fulfill their security and cybersecurity roles and responsibilities;
• identify and prioritize KEY information technology and operational systems to secure; and
• protect these systems from potential cybersecurity events, detect cybersecurity events, and respond to and recover from cybersecurity incidents?

We have several staff exercises that effectively train and assess our staff for common security threats. Social engineering, Phishing/Vishing exercises are great examples. Performance KPIs are assigned to these exercises and reported at the monthly all managers meeting and quarterly to the board of directors.

Regular vulnerability assessments are performed on all technology assets. Results are weighted so what critical asset results are considered most severe. Vulnerability assessment results are reported at the monthly all managers meeting and quarterly to the board of directors.

Our vendor management process measures the criticality of each vendor. Regulatory documentation required varies depending on vendor criticality. Our most critical vendors are required to provide various financial performance and regulatory results information.

**Overall Question for Safety:**
**HOW do you provide a safe operating environment?**

Environment safety is governed by OSHA and audits are regularly performed (Greg?). Environmental incidents are documented and reported over time through a performance metric and discussed at the monthly all managers meeting.

*Multiple Question:*
HOW does your safety system address accident prevention, inspection, root-cause ANALYSIS of failures, and recovery?

[Response]

**Overall Question for Business Continuity:**
**HOW do you ensure that your organization is prepared for disasters or emergencies?**

Technology disaster recovery tests are performed every year. Results are included to the board of directors as part of the annual information security program update. Our Business Continuity process is governed by a third party. The process includes all lines of business and drives which systems needs to be included in the annual technology exercise.

*Multiple Question:*
HOW does your disaster and emergency preparedness system consider prevention, continuity of operations, and recovery?

[Response]
**Multiple Question:**
HOW does your disaster and emergency preparedness system take into account your reliance on your WORKFORCE, supply network, and PARTNERS?

[Response]

**Multiple Question:**
HOW do you ensure that your information technology systems continue to be secure and available to serve CUSTOMERS and meet business needs?

[Response]
APPENDIX D

ITEM WORKSHEETS
## Item Worksheet - Item 1.1 (Senior Leadership)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mission</td>
<td>Enrich Lives and Empower Dreams, <strong>Core Values:</strong> Respect, Integrity, Innovation, Passion, Excellence</td>
</tr>
<tr>
<td>2.</td>
<td>The applicant is passionate about bettering themselves through education, service and continuous improvement. The applicant is a member driven organization with a focus on data driven excellence.</td>
</tr>
<tr>
<td>3. Vision</td>
<td>Delivering experiences that delight our Members and make them fans. Having an extremely productive and engaged workforce that loves The Applicant. Being a highly regarded partner that makes powerful contributions to improve the communities we serve. Growing The Applicant and optimizing our income solely to deliver our mission.</td>
</tr>
<tr>
<td>4.</td>
<td>Applicant leadership structure is broken down into 3% senior leadership and 14% middle management. 82% of applicant’s staff is non-management. Applicant’s employment status is 82% full-time and 18% part-time. Gender breakdown is 28% male and 72% female. Applicant’s workforce ethnicity is 59% Latino, 20% Caucasian, 8% African American, 6% Asian or Pacific Islander and 6% other. Applicant’s workforce age breakdown is 18-33 46%, 36-51 41%, 52-65 12%, 66+ 1%. Applicant’s workforce education breakdown is Associates Degree 11%, Bachelor’s Degree 17%, Master’s Degree 4%.</td>
</tr>
<tr>
<td>5.</td>
<td>Potential changes to the credit union tax-exempt status poses the greatest risk to the applicant’s competitive situation.</td>
</tr>
<tr>
<td>Relevant KF</td>
<td>Strength</td>
</tr>
<tr>
<td>------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1, 2</td>
<td>The applicant has a well-defined mission and values system that seems to be effectively integrated into their leadership and reward systems.</td>
</tr>
<tr>
<td>1, 3, 4</td>
<td>The applicant has several processes in place to engage and communicate with its entire workforce with some integration into process improvement and learning.</td>
</tr>
<tr>
<td>4, 5</td>
<td>Applicant has processes in place to monitor and actively take part in activities to keep their tax-exempt status.</td>
</tr>
</tbody>
</table>

**Strength Comment:**

| **Nugget (criteria language):** | The applicant has a systematic process for defining, communicating its mission and values to the workforce. | a(1) |
| **Evidence (from the application):** | The applicant’s mission and values are systematically integrated into its strategic planning and leadership communication processes. Their mission and values are front and center for various reward systems and learning is evident in some communication approaches. | |
| **Relevance (key factor):** | Integrating a clearly defined mission and value system into the applicants strategic planning and leadership communication processes ensures that all strategic action plans and leadership communication systems are focused on achieving its mission in ways that align with its core values. The applicant strives for a data-driven environment by deployment several online methods of leadership communication with process improvement integrations. | |

**Done!**
Opportunities for Improvement (OFIs)

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Opportunity for Improvement</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1, 2, 3</td>
<td>While the applicant has an approach for deploying its mission and values, it is unclear if there is a measurable process for learning present.</td>
<td>The applicant has a well establish mission and value system that is fully integrated into how senior leaders communicate and reward staff. However, it is unclear how the applicant measures how well it’s mission and values are integrated throughout the workforce.</td>
<td>X</td>
<td>X</td>
<td></td>
<td>a(1)</td>
<td></td>
</tr>
<tr>
<td>1, 2, 3</td>
<td>While the applicant has several approaches for leadership communication to the workforce, it is unclear if the applicant has measurable processes in-place for communicating with Key Partners and Members.</td>
<td>The applicant has established several approaches for leadership communication to the workforce. However, it is unclear if the applicant measures the effectiveness of its communication approaches or if the approaches are tailored to their audience.</td>
<td>X</td>
<td>X</td>
<td></td>
<td>b</td>
<td></td>
</tr>
<tr>
<td>OFI Comment:</td>
<td>Item Ref.</td>
<td></td>
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</tr>
<tr>
<td><strong>Nugget (criteria language):</strong></td>
<td>It is unclear if the applicant has a process of learning integrated into its mission and vision setting processes.</td>
<td>a(1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Evidence (from the application):</strong></td>
<td>While the applicant describes a mission and value setting process that starts with its strategic and leadership planning, there doesn’t seem to be processes in-place to measure the how integrated it’s mission and values are across all workforce groups.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Relevance (key factor):</strong></td>
<td>Measuring mission and vision integration throughout the workforce will help the applicant achieve a data-driven workforce dedicated to its mission and vision.</td>
<td></td>
<td></td>
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<tr>
<td>Done!</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Scoring:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Item Scoring Range:</strong> (i.e. 50-65; refer to page 34 of the Baldrige Framework)</td>
</tr>
<tr>
<td><strong>Item Overall Score:</strong> (i.e. 55; select an actual score in an increment of 5)</td>
</tr>
<tr>
<td>Notes:</td>
</tr>
</tbody>
</table>
**Item Worksheet - Item 1.2 (Governance and Societal Contributions)**

List the 4 – 6 most significant key factors (KFs) for this Item

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Mission:</strong> Enrich Lives and Empower Dreams, <strong>Core Values:</strong> Respect, Integrity, Innovation, Passion, Excellence</td>
<td></td>
</tr>
<tr>
<td>2. <strong>Vision:</strong> Delivering experiences that delight our Members and make them fans. Having an extremely productive and engaged workforce that loves The Applicant. Being a highly regarded partner that makes powerful contributions to improve the communities we serve. Growing The Applicant and optimizing our income solely to deliver our mission.</td>
<td></td>
</tr>
<tr>
<td>3. The applicant is governed by a volunteer board of directors elected by its membership. The volunteer board is responsible for the performance of the CEO and her executive team. The applicant employs an internal auditor who reports directly to the CEO and collaborates with an internal audit committee to coordinate all financial and operational audits. The audit committee is comprised of volunteers from the industry and the board of directors.</td>
<td></td>
</tr>
<tr>
<td>4. The applicant is part of the highly regulated financial sector. Primary regulators are the National Credit Union Administration (NCUA), the Department of Business Oversight (DBO), Federal, State and Local Tax Authorities and the rules and regulations contained in the California Code of Regulations. Non-financial regulators for workplace safety, security, privacy include OSHA and Fair Labor Standards Act.</td>
<td></td>
</tr>
<tr>
<td>5. Potential changes to the credit union tax-exempt status poses the greatest risk to the applicant’s competitive situation.</td>
<td></td>
</tr>
<tr>
<td>6. Financial institutions are turning to the internet more and more to extend their service channels and to enhance their products and services. This expanded use of the internet poses great opportunity for the applicant as well as significant risks to day to day operations.</td>
<td></td>
</tr>
<tr>
<td>Relevant KF</td>
<td>Strength</td>
</tr>
<tr>
<td>------------</td>
<td>----------</td>
</tr>
<tr>
<td>3, 4</td>
<td>The applicant has effective systems for ensuring responsible governance.</td>
</tr>
<tr>
<td>2,3,4</td>
<td>The applicant has several processes that assess, measure and report regulatory performance and has elegant control over the delicate balance between regulatory compliance and customer service flexibility.</td>
</tr>
</tbody>
</table>

**Strength Comment:**

**Nugget** (criteria language): The applicant has a systematic approach for assessing, measuring and reporting regulatory compliance.

**Evidence** (from the application): The processes used by the client to assess, measure and report regulatory compliance updates are fully deployed to the workforce. The client uses its internal audit team to help coach and prepare workforce units for new/changing regulations. Results from each regulatory exercise are systematically assessed, measured and reported to all governing bodies.
**Strength Comment:**

**Relevance** (key factor):
The applicant operates within the highly regulated financial sector. Its processes for legal and regulatory compliance help to ensure good standing with applicable laws and regulations.

**Done!**

### Opportunities for Improvement (OFIs)

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Opportunity for Improvement</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>3, 4</td>
<td>Unclear if the applicant’s governing board(s) are evaluated for performance.</td>
<td>The applicant mentions systems for measuring senior leadership performance but does not mention processes for measuring the performance of board and the audit committee.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>a(2)</td>
</tr>
<tr>
<td>2, 3</td>
<td>It is unclear if the applicant measures the benefit of making KEY community contributions to its members.</td>
<td>While the applicant contributes often to key communities, it’s unclear if the effectiveness of the contributions are measured and bring value to its members.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>c(2)</td>
</tr>
</tbody>
</table>

**OFI Comment:**

**Nugget** (criteria language):
It is unclear how the applicant measures the development and performance of its governing bodies.

<table>
<thead>
<tr>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>a(2)</td>
</tr>
<tr>
<td>OFI Comment:</td>
</tr>
<tr>
<td>-------------</td>
</tr>
<tr>
<td><strong>Evidence</strong> (from the application):</td>
</tr>
<tr>
<td><strong>Relevance</strong> (key factor):</td>
</tr>
<tr>
<td>Done!</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scoring:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Item Scoring Range:</strong> (i.e. 50-65; refer to page 34 of the Baldrige Framework)</td>
<td>50-65%</td>
</tr>
<tr>
<td><strong>Item Overall Score:</strong> (i.e. 55; select an actual score in an increment of 5)</td>
<td>55%</td>
</tr>
<tr>
<td><strong>Notes:</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Item Worksheet - Item 2.1 (Strategy Development)**

List the 4 – 6 most significant key factors (KFs) for this Item

1. **Mission:** Enrich Lives and Empower Dreams, **Core Values:** Respect, Integrity, Innovation, Passion, Excellence
2. **Vision:** Delivering experiences that delight our Members and make them fans. Having an extremely productive and engaged workforce that loves The Applicant. Being a highly regarded partner that makes powerful contributions to improve the communities we serve. Growing The Applicant and optimizing our income solely to deliver our mission.
3. The applicant is governed by a volunteer board of directors elected by its membership. The volunteer board is responsible for the performance of the CEO and her executive team. The applicant employs an internal auditor who reports directly to
List the 4 – 6 most significant key factors (KFs) for this Item

the CEO and collaborates with an internal audit committee to coordinate all financial and operational audits. The audit committee is comprised of volunteers from the industry and the board of directors.

4. The applicant understands that their members have many choices for financial services and is driven to be the primary financial partner. The applicant is passionate about bettering themselves through education, service and continuous improvement.

5. Key customers consist of anyone who lives, works, worships or attends school is Riverside and San Bernardino Counties – including parts of San Diego and Orange Counties. The applicant applies special focus on its original sponsor groups which include: Riverside County school districts, County of Riverside, Riverside County Hospital and March Air Reserve Base.

<table>
<thead>
<tr>
<th>Strengths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevant</td>
</tr>
<tr>
<td>KF</td>
</tr>
<tr>
<td>1,2,4,5</td>
</tr>
<tr>
<td>1,2,4,5</td>
</tr>
</tbody>
</table>
### Strength Comment:

<table>
<thead>
<tr>
<th>Nugget (criteria language):</th>
<th>The Applicant has systematic process for strategic development that is fully deployed across the enterprise.</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence (from the application):</td>
<td>The applicant’s annual board planning conference (BPC) and management planning conference (MPC) define the strategic initiatives (A) and action plans (D) for the year. The applicant’s action plans drive workforce performance appraisals and the annual budget process (I).</td>
<td></td>
</tr>
<tr>
<td>Relevance (key factor):</td>
<td>The applicant’s annual BPC and MPC process ensures that their strategic initiatives and actions plans are always aligned with their mission, vision and customer (member) expectations.</td>
<td></td>
</tr>
</tbody>
</table>

**Done!**

### Opportunities for Improvement (OFIs)

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Opportunity for Improvement</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1, 2, 4, 5</td>
<td>The applicant’s key strategic objectives and timetable for achieving them are unclear.</td>
<td>While the applicant has a clearly defined process for strategic planning – its key strategic objects are unclear.</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>b(1)</td>
</tr>
<tr>
<td>2, 3</td>
<td>It’s unclear how the applicant’s strategic planning process fosters innovation and intelligent risk taking.</td>
<td>The applicant states that overall strategic direction is defined at the BPC and MPC processes. However, it’s unclear how the applicant integrates innovation and intelligent risk taking during their strategic planning process.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>a(2)</td>
</tr>
<tr>
<td>OFI Comment:</td>
<td>Item Ref.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Nugget</strong> (criteria language):</td>
<td>b(1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The applicant’s key strategic objectives and timetables for achieving them are either unclear or not defined.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Evidence</strong> (from the application):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The applicant has a process for systematically defining strategic initiatives and action plans. However, the applicant’s key strategic objectives and timetables for achieving them are unclear.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Relevance</strong> (key factor):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The applicant’s mission, vision and value system focus on customer (member) driven value. Having clearly defined strategic objectives and timetables for achieving them are critical pieces to measuring the overall success of the applicant’s strategic plan.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Done!</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

| Scoring: |
|-------------------|---------|
| **Item Scoring Range:** (i.e. 50-65; refer to page 34 of the Baldrige Framework) | 50-65% |
| **Item Overall Score:** (i.e. 55; select an actual score in an increment of 5) | 50% |
| **Notes:** | (you may want to use this space to include any rationale or explanation for your proposed score) |
### Item Worksheet - Item 2.2 (Strategy Implementation)

<table>
<thead>
<tr>
<th>List the 4 – 6 most significant key factors (KFs) for this Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Mission</strong>: Enrich Lives and Empower Dreams, <strong>Core Values</strong>: Respect, Integrity, Innovation, Passion, Excellence</td>
</tr>
<tr>
<td>2. <strong>Vision</strong>: Delivering experiences that delight our Members and make them fans. Having an extremely productive and engaged workforce that loves The Applicant. Being a highly regarded partner that makes powerful contributions to improve the communities we serve. Growing The Applicant and optimizing our income solely to deliver our mission.</td>
</tr>
<tr>
<td>3. The applicant maintains a quality deployment plan that is three pronged: (1) quality standards, (2) processing improvement training, (3) Business Process Management BPM. A special process improvement task force (Delta Team) is deployed throughout the company.</td>
</tr>
<tr>
<td>4. The applicant understands that their members have many choices for financial services and is driven to be the primary financial partner. The applicant is passionate about bettering themselves through education, service and continuous improvement.</td>
</tr>
<tr>
<td>5. The applicant is governed by a volunteer board of directors elected by its membership. The volunteer board is responsible for the performance of the CEO and her executive team. The applicant employs an internal auditor who reports directly to the CEO and collaborates with an internal audit committee to coordinate all financial and operational audits. The audit committee is comprised of volunteers from the industry and the board of directors.</td>
</tr>
</tbody>
</table>
## Strengths

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>++</th>
<th>Strength</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,2,5</td>
<td></td>
<td>The applicant has a clear process for implementing its strategic action plans.</td>
<td>Strategic initiatives defined during the applicant’s strategic planning processes (BPC and MPC) are implemented as strategic projects through the applicant’s PMO.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>a(2)</td>
<td></td>
</tr>
<tr>
<td>1,2,3</td>
<td></td>
<td>Performance measures indicating achievement and effectiveness are deployed and integrated throughout the workforce.</td>
<td>The applicant’s strategic actions are implemented as strategic projects through the PMO. All strategic projects include must include a project charter detailing performance KPIs. Deployment and integration with the workforce are measured through performance appraisals (goals).</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>a(5)</td>
<td></td>
</tr>
</tbody>
</table>

### Strength Comment:

<table>
<thead>
<tr>
<th></th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nugget</strong> (criteria language):</td>
<td>a(2)</td>
</tr>
<tr>
<td><strong>Evidence</strong> (from the application):</td>
<td></td>
</tr>
<tr>
<td>The applicant has a systematic process for implementing strategy. For example, strategy defined during the BPC and MPC are implemented as strategic projects through the in-house PMO. All strategic projects are framed by a project charter detailing the reason for the project (action plan) and how performance will be measured (KPIs).</td>
<td></td>
</tr>
<tr>
<td><strong>Relevance</strong> (key factor):</td>
<td></td>
</tr>
<tr>
<td>The applicant’s approach for strategy implementation is aligned with their mission and vision. Deploying their action plans as strategic projects helps achieve their vision of a productive and engaged workforce.</td>
<td></td>
</tr>
</tbody>
</table>

**Done!**
### Opportunities for Improvement (OFIs)

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>--</th>
<th>Opportunity for Improvement</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2, 3</td>
<td></td>
<td>It’s unclear how the applicant ensures that financial and other resources are available to support action plans and current obligations.</td>
<td>While the applicant has a systematic process for implementing and measuring success for action plans – it’s unclear how the applicant ensures it’s has enough resources to support new action plans and current obligations.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>a(3)</td>
</tr>
<tr>
<td>2, 3</td>
<td></td>
<td>Processes for addressing potential changes in workforce capability and capacity and their impact of actions plans are not evident.</td>
<td>It’s unclear how the applicant’s workforce action plans address changes in workforce capability and capacity.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>a(4)</td>
</tr>
</tbody>
</table>

**OFI Comment:**

<table>
<thead>
<tr>
<th>Nugget (criteria language):</th>
<th>It’s unclear how the applicant allocates resources for new action plans and existing obligations.</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence (from the application):</td>
<td>The applicant has a systematic process for implementing strategy that is fully integrated with the internal PMO. However, it is unclear how the applicant ensures that resources are available to support new action plans and existing obligations.</td>
<td>a(3)</td>
</tr>
<tr>
<td>Relevance (key factor):</td>
<td>Ensuring that there are needed resources for new action plans as well as existing obligations will ensure the applicant achieves its vision of a productive and engaged workforce while achieving desired levels of quality and continuous improvement.</td>
<td></td>
</tr>
</tbody>
</table>

Done!
Scoring:

<table>
<thead>
<tr>
<th>Item Scoring Range: (i.e. 50-65; refer to page 34 of the Baldrige Framework)</th>
<th>50-65%</th>
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</thead>
<tbody>
<tr>
<td>Item Overall Score: (i.e. 55; select an actual score in an increment of 5)</td>
<td>60%</td>
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<tr>
<td>Notes: (you may want to use this space to include any rationale or explanation for your proposed score)</td>
<td></td>
</tr>
</tbody>
</table>

Item Worksheet - Item 3.1 (Customer Expectations)

List the 4 – 6 most significant key factors (KFs) for this Item

1. **Mission**: Enrich Lives and Empower Dreams, **Core Values**: Respect, Integrity, Innovation, Passion, Excellence
2. **Vision**: Delivering experiences that delight our Members and make them fans. Having an extremely productive and engaged workforce that loves The Applicant. Being a highly regarded partner that makes powerful contributions to improve the communities we serve. Growing The Applicant and optimizing our income solely to deliver our mission.
3. The applicant understands that their members have many choices for financial services and is driven to be the primary financial partner. The applicant is passionate about bettering themselves through education, service and continuous improvement.
4. Key customers consist of anyone who lives, works, worships or attends school is Riverside and San Bernardino Counties – including parts of San Diego and Orange Counties. The applicant applies special focus on its original sponsor groups which include: Riverside County school districts, County of Riverside, Riverside County Hospital and March Air Reserve Base.
5. Key sources of comparative data from within the industry include: Member Loyalty and SatMatrix (Member satisfaction and loyalty), Callahan and Associates (Peer financial results), NCUA and FDIC Call Reports (Financials), The Shields Group and The Credit Union Journal (Employee Survey). Key sources for comparative data from outside of the industry include: Former Baldrige recipients, Public domain published materials. The unique focus on community and membership makes gathering peer data for credit unions a challenge.
List the 4 – 6 most significant key factors (KFs) for this Item

6. The applicant has key suppliers of technology that facilitate service delivery. Some of these suppliers include: Jack Henry (Episys), World Pay (Card Purchasing), Alkami (Online/Mobile Banking), Alogent (Item Processing), NCR (ATM Machines and Technology), Enghouse (Cell Center), VMWare (Datacenter and Workstation Technology).

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Strength</th>
<th>Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,2,3,5,6</td>
<td>The applicant has a systematic process for (MLG) for getting feedback and expectations from its members. The process includes performance measures (learning) and process improvement (innovation).</td>
<td>The applicant has deployed a fully integrated survey system into its financial core, call center and branch network. When their membership uses one of these platforms, they are randomly prompted to complete a survey – specifically tailored to the service channel used and service provided. The platform includes performance measures that are reported to management monthly and used during process improvements and strategic planning.</td>
</tr>
<tr>
<td>1,2,3</td>
<td>The applicant has a systematic process for gather information from its workforce and members to define and deploy new products.</td>
<td>The applicant has an inhouse comment tracking system (MERT) that categorizes, and measures comments submitted by its workforce and membership. The comments and categorized metrics are reviewed at the monthly management meeting and during all strategic planning and processing improvement processes (BPC, MPC, Delta Team).</td>
</tr>
<tr>
<td>Strength Comment:</td>
<td>Item Ref.</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>-----------</td>
<td></td>
</tr>
<tr>
<td><strong>Nugget</strong> (criteria language):</td>
<td></td>
<td>a(1)</td>
</tr>
<tr>
<td>The applicant has a systematic process for listening to and interacting with its customers (members).</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Evidence</strong> (from the application):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The applicant has a survey system which is integrated with all service channels. The process randomly selects members that interact with each service channel who are then promoted to complete a survey tailored to the channel used and the services offered. Results and expectations from the surveys are reviewed by the management team monthly and used during all strategic planning (BPC, MPC) and process improvement (Delta Team) processes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Relevance</strong> (key factor):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The applicants MLG survey system helps them delight their members and define products and services that make them fans. The data helps keep their staff engaged and dedicated to process improvement.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Done!</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Opportunities for Improvement (OFIs)

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Opportunity for Improvement</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,3,4</td>
<td>It’s unclear if the applicant has a systematic process for determining customer (member) groups and market segments.</td>
<td>While the applicant has systematic processes for communicating with individual customers (members), it’s unclear if there is a process for defining and analyzing responses by customer group or market segment.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>a(1)</td>
</tr>
</tbody>
</table>

**OFI Comment:**

<table>
<thead>
<tr>
<th>Nugget (criteria language):</th>
<th>It is unclear if the applicant has a systematic process for determining customer groups and market segments.</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence (from the application):</td>
<td>While the applicant describes a systematic process for communicating with individual customers (members), it’s not clear if they have a process for defining and communicating with specific customer (member) groups and market segments.</td>
<td>a(1)</td>
</tr>
<tr>
<td>Relevance (key factor):</td>
<td>The applicant’s field of membership includes anyone who lives, worships or works in Riverside and San Bernardino counties. A systematic process for determining key customer (member) groups and market segments will help them expand their membership in their fields they server and make their existing customers (member) fans.</td>
<td></td>
</tr>
</tbody>
</table>

Done!
**Scoring:**

<table>
<thead>
<tr>
<th>Item Scoring Range: (i.e. 50-65; refer to page 34 of the Baldrige Framework)</th>
<th>70-85%</th>
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<tbody>
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<td>Item Overall Score: (i.e. 55; select an actual score in an increment of 5)</td>
<td>70%</td>
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<tr>
<td>Notes:</td>
<td>(you may want to use this space to include any rationale or explanation for your proposed score)</td>
</tr>
</tbody>
</table>

**Item Worksheet - Item 3.2 (Customer Engagement)**

<table>
<thead>
<tr>
<th>List the 4 – 6 most significant key factors (KFs) for this Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Mission:</strong> Enrich Lives and Empower Dreams, <strong>Core Values:</strong> Respect, Integrity, Innovation, Passion, Excellence</td>
</tr>
<tr>
<td>2. <strong>Vision:</strong> Delivering experiences that delight our Members and make them fans. Having an extremely productive and engaged workforce that loves The Applicant. Being a highly regarded partner that makes powerful contributions to improve the communities we serve. Growing The Applicant and optimizing our income solely to deliver our mission.</td>
</tr>
<tr>
<td>3. The applicant understands that their members have many choices for financial services and is driven to be the primary financial partner. The applicant is passionate about bettering themselves through education, service and continuous improvement.</td>
</tr>
<tr>
<td>4. Key customers consist of anyone who lives, works, worships or attends school is Riverside and San Bernardino Counties – including parts of San Diego and Orange Counties. The applicant applies special focus on its original sponsor groups which include: Riverside County school districts, County of Riverside, Riverside County Hospital and March Air Reserve Base.</td>
</tr>
<tr>
<td>5. Key sources of comparative data from within the industry include: Member Loyalty and SatMatrix (Member satisfaction and loyalty), Callahan and Associates (Peer financial results), NCUA and FDIC Call Reports (Financials), The Shields Group and The Credit Union Journal (Employee Survey). Key sources for comparative data from outside of the industry include: Former Baldrige recipients, Public domain published materials. The unique focus on community and membership makes gathering peer data for credit unions a challenge.</td>
</tr>
</tbody>
</table>
List the 4 – 6 most significant key factors (KFs) for this Item

6. The applicant has key suppliers of technology that facilitate service delivery. Some of these suppliers include: Jack Henry (Episys), World Pay (Card Purchasing), Alkami (Online/Mobile Banking), Alogent (Item Processing), NCR (ATM Machines and Technology), Enghouse (Cell Center), VMWare (Datacenter and Workstation Technology).
### Strengths

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Strength</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,2,3,5,6</td>
<td>The applicant has a systematic process for determining customer (member) satisfaction.</td>
<td>The applicant uses its MLG survey system to measure member satisfaction. The MLG system is fully integrated across all service channels and includes an NPS score. Result metrics (learning) are reviewed by management monthly and used during all strategic and process improvement processes (Innovation).</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>b(1)</td>
</tr>
<tr>
<td>1,2,3,5,6</td>
<td>Applicant systematically compares customer (member) satisfactions and engagement with competitors.</td>
<td>Results from the applicant’s MLG system are measured against direct and indirect competitors. Result metrics (learning) are reviewed by management monthly and used during all strategic and process improvement processes (Innovation).</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>b(2)</td>
</tr>
<tr>
<td>1,2,3,5,6</td>
<td>The applicant has several systematic processes for their customers (members) to seek information and support.</td>
<td>The applicant’s member can seek information and support both in-person and digitally through a fully staffed call center and a retail online banking system (mobile and desktop). There are systematic measures for each channel for satisfaction, level of service and defect tracking. Results are reviewed monthly at the management meeting are used for all strategic and process improvement processes.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>a(2)</td>
</tr>
</tbody>
</table>

### Strength Comment:

**Nugget (criteria language):** The applicant has a systematic process for measuring customer (member) satisfaction and engagement. Item Ref. b(1)
Strength Comment: The applicant uses an automated survey system that is fully integrated into all service channels. Members are randomly prompted to complete surveys that are specifically tailored to the channel used and service offered. The results from the survey are used to generate metrics that reviewed by management monthly and used in all strategic planning and process improvement processes.

Relevance (key factor): The applicant’s systematic survey system provides intelligent satisfaction results tailored to specific service channels and services offered. This provides a platform of learning and innovation for the applicant to help them achieve their process improvement and customer engagement goals.

Opportunities for Improvement (OFIs)

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Opportunity for Improvement</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2, 3, 5, 6</td>
<td>While the applicant lists various activities for acquiring customers and building market share, it’s unclear if there is a systematic process present.</td>
<td>The applicant describes various activities for acquiring customers and building market share. However, there doesn’t seem to be a systematic process for deployment and performance measurement.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>a(1)</td>
</tr>
</tbody>
</table>

OFI Comment: It’s unclear if the applicant has a systematic process for acquiring customers and building market share.
OFI Comment:

<table>
<thead>
<tr>
<th>Evidence (from the application):</th>
<th>The applicant describes various activities for acquiring customers and building market share. However, there doesn’t seem to be a systematic process for deployment and performance measurement.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance (key factor):</td>
<td>A systematic process for acquiring members and market share will help establish consistent results that can be measured for effectiveness. This will help the applicant focus on the most effective approaches and platforms thereby enhancing customer engagement and bolstering process improvement.</td>
</tr>
<tr>
<td>Done!</td>
<td></td>
</tr>
</tbody>
</table>

Scoring:

| Item Scoring Range: (i.e. 50-65; refer to page 34 of the Baldrige Framework) | 70-85% |
| Item Overall Score: (i.e. 55; select an actual score in an increment of 5) | 75% |
| Notes: (you may want to use this space to include any rationale or explanation for your proposed score) | |

Item Worksheet - Item 4.1 (Measure Analysis and Improve Performance)

List the 4 – 6 most significant key factors (KFs) for this Item

1. **Mission**: Enrich Lives and Empower Dreams, **Core Values**: Respect, Integrity, Innovation, Passion, Excellence
2. The applicant understands that their members have many choices for financial services and is driven to be the primary financial partner. The applicant is passionate about bettering themselves through education, service and continuous improvement.
List the 4 – 6 most significant key factors (KFs) for this Item

| 3. | The applicant’s primary competitors are three large national financial institutions: Bank of America, Wells Fargo and Chase. While some credit unions have moved into the applicant’s marketplace, the applicant maintains a competitive yet cooperative position with them. Sitting at 1.45 Billion in assets – the applicant enjoys healthy growth and profitability in relation to its peers (credit unions 1-2 Billion). |
| 4. | Key sources of comparative data from within the industry include: Member Loyalty and SatMatrix (Member satisfaction and loyalty), Callahan and Associates (Peer financial results), NCUA and FDIC Call Reports (Financials), The Shields Group and The Credit Union Journal (Employee Survey). Key sources for comparative data from outside of the industry include: Former Baldrige recipients, Public domain published materials. The unique focus on community and membership makes gathering peer data for credit unions a challenge. |
| 5. | The applicant has key suppliers of technology that facilitate service delivery. Some of these suppliers include: Jack Henry (Episys), World Pay (Card Purchasing), Alkami (Online/Mobile Banking), Alogent (Item Processing), NCR (ATM Machines and Technology), Enghouse (Cell Center), VMWare (Datacenter and Workstation Technology). |
### Strengths

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Strength</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,4</td>
<td>The applicant has a systematic process for tracking data on daily operational performance.</td>
<td>The applicant has defined its most critical operational processes as: member support, online banking and credit card processing. The applicant monitors transactional data for all three processes on a daily basis which is summarized into performance metrics for the monthly managers meeting.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>a(1)</td>
</tr>
<tr>
<td>4,5</td>
<td>The applicant’s performance review process includes an analysis of key organizational performance measures.</td>
<td>All KPI performance measures include a performance goal. Each performance goal is defined by senior management. The goals are based on trends, best practices and strategic direction. KPI performance goals are used to define appraisal goals for the workforce.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>b</td>
</tr>
<tr>
<td>1,2,4</td>
<td>The applicant has a systematic process for continuous improvement and innovation.</td>
<td>The applicant has deployed a Delta Team process that trains the workforce how to define and document processes. The Delta Team process concludes with a real-world project where each team member selects a production process to improve and monitor.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>c(2)</td>
</tr>
</tbody>
</table>

### Strength Comment:

<table>
<thead>
<tr>
<th>Nugget (criteria language):</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The applicant has a systematic process for continuous improvement and innovation.</td>
<td>c(2)</td>
</tr>
</tbody>
</table>
**Strength Comment:**

**Evidence** (from the application):
The applicant’s Delta Team process trains its workforce how to define and document processes. Each student in the training completed a real process improvement project where they document, RCA and improve a process in their area of the business.

**Relevance** (key factor):
Providing process improvement training for their entire workforce helps the applicant achieve an engaged workforce and highlights its dedication to process improvement and innovation.

**Done!**

---

**Opportunities for Improvement (OFIs)**

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Opportunity for Improvement</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2, 3, 4</td>
<td>It’s unclear if the applicant has a systematic process for projecting future performance.</td>
<td>While the applicant has systematic processes for collection and analyzing performance measures for current and past performance, it’s unclear how the applicant projects and prepares for future performance.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>c(1)</td>
</tr>
</tbody>
</table>

---

**OFI Comment:**

**Nugget** (criteria language):
It’s unclear if the applicant has a systematic process for projecting future performance.

**Evidence** (from the application):
The applicant has systematic processes for collecting and analyzing data for measuring current and past performance. However, the applicant does not seem to have a process for projecting and preparing for future performance.
**OFI Comment:**

| Relevance (key factor): | Projecting future performance will help the applicant adapt and stay competitive with its primary competition (big banks) and credit union peers. |

**Done!**

**Scoring:**

<table>
<thead>
<tr>
<th>Item Scoring Range: (i.e. 50-65; refer to page 34 of the Baldrige Framework)</th>
<th>50-65%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item Overall Score: (i.e. 55; select an actual score in an increment of 5)</td>
<td>65%</td>
</tr>
<tr>
<td>Notes:</td>
<td>(you may want to use this space to include any rationale or explanation for your proposed score)</td>
</tr>
</tbody>
</table>

**Item Worksheet - Item 4.2 (Information and Knowledge Management)**

List the 4 – 6 most significant key factors (KFs) for this Item

1. **Mission:** Enrich Lives and Empower Dreams, **Core Values:** Respect, Integrity, Innovation, Passion, Excellence
2. **Vision:** Delivering experiences that delight our Members and make them fans. Having an extremely productive and engaged workforce that loves The Applicant.
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>List the 4 – 6 most significant key factors (KFs) for this Item</strong></td>
<td></td>
</tr>
<tr>
<td>3. The applicant understands that their members have many choices for financial services and is driven to be the primary financial partner. The applicant is passionate about bettering themselves through education, service and continuous improvement.</td>
<td></td>
</tr>
<tr>
<td>4. Key sources of comparative data from within the industry include: Member Loyalty and SatMatrix (Member satisfaction and loyalty), Callahan and Associates (Peer financial results), NCUA and FDIC Call Reports (Financials), The Shields Group and The Credit Union Journal (Employee Survey). Key sources for comparative data from outside of the industry include: Former Baldrige recipients, Public domain published materials. The unique focus on community and membership makes gathering peer data for credit unions a challenge.</td>
<td></td>
</tr>
<tr>
<td>5. The applicant has key suppliers of technology that facilitate service delivery. Some of these suppliers include: Jack Henry (Episys), World Pay (Card Purchasing), Alkami (Online/Mobile Banking), Alogent (Item Processing), NCR (ATM Machines and Technology), Enghouse (Cell Center), VMWare (Datacenter and Workstation Technology).</td>
<td></td>
</tr>
<tr>
<td>Relevant KF</td>
<td>Strength</td>
</tr>
<tr>
<td>------------</td>
<td>----------</td>
</tr>
<tr>
<td>2,3,4</td>
<td>The applicant has a systematic process for building and managing organizational knowledge.</td>
</tr>
<tr>
<td>2,5</td>
<td>The applicant has a systematic process for measuring the availability of its organizational data and information.</td>
</tr>
<tr>
<td>2,3</td>
<td>The applicant has a systematic process for sharing best practices across the organization.</td>
</tr>
<tr>
<td>Strength Comment:</td>
<td>Item Ref.</td>
</tr>
<tr>
<td>------------------</td>
<td>----------</td>
</tr>
<tr>
<td><strong>Nugget</strong> (criteria language):</td>
<td>b(1)</td>
</tr>
<tr>
<td><strong>Evidence</strong> (from the application):</td>
<td></td>
</tr>
<tr>
<td><strong>Relevance</strong> (key factor):</td>
<td></td>
</tr>
<tr>
<td>Done!</td>
<td></td>
</tr>
</tbody>
</table>

### Opportunities for Improvement (OFIs)

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Opportunity for Improvement</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2, 3, 4</td>
<td>It’s unclear if learning and innovation are systematic across the organization as part of everyday work.</td>
<td>While the applicant learning embedded into its knowledge management process, it’s unclear if learning and innovation systematic across the organization as part of everyday work.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>b(3)</td>
</tr>
<tr>
<td>OFI Comment:</td>
<td>Item Ref.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Nugget</strong> (criteria language):</td>
<td>It’s unclear if learning and innovation are systematic across the organization as part of everyday work.</td>
<td>b(3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Evidence</strong> (from the application):</td>
<td>While the applicant learning embedded into its knowledge management process, it’s unclear if learning and innovation systematic across the organization as part of everyday work.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Relevance</strong> (key factor):</td>
<td>Ensuring knowledge management and learning is systematically deployed across the organization will help to build a highly engaged workforce dedicated to process improvement.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Done!**

### Scoring:

| Item Scoring Range: (i.e. 50-65; refer to page 34 of the Baldrige Framework) | 50-65% |
| Item Overall Score: (i.e. 55; select an actual score in an increment of 5) | 65% |
| Notes: | (you may want to use this space to include any rationale or explanation for your proposed score) |

### Item Worksheet - Item 5.1 (Workforce Environment)

List the 4 – 6 most significant key factors (KFs) for this Item

1. **Mission**: Enrich Lives and Empower Dreams, **Core Values**: Respect, Integrity, Innovation, Passion, Excellence
2. **Vision:** Delivering experiences that delight our Members and make them fans. Having an extremely productive and engaged workforce that loves The Applicant. Being a highly regarded partner that makes powerful contributions to improve the communities we serve. Growing The Applicant and optimizing our income solely to deliver our mission.

3. The applicant understands that their members have many choices for financial services and is driven to be the primary financial partner. The applicant is passionate about bettering themselves through education, service and continuous improvement.

4. Applicant leadership structure is broken down into 3% senior leadership and 14% middle management. 82% of applicant’s staff is non-management. Applicant’s employment status is 82% full-time and 18% part-time. Gender breakdown is 28% male and 72% female. Applicant’s workforce ethnicity is 59% Latino, 20% Caucasian, 8% African American, 6% Asian or Pacific Islander and 6% other. Applicant’s workforce age breakdown is 18-33 46%, 36-51 41%, 52-65 12%, 66+ 1%. Applicant’s workforce education breakdown is Associates Degree 11%, Bachelor’s Degree 17%, Master’s Degree 4%.

5. The applicant is non-union, and health and safety requirements are dictated by OSHA.
<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Strength</th>
<th>Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,3,4</td>
<td>The applicant has a systematic process for recruiting, hiring and onboarding new workforce members.</td>
<td>The applicant’s workforce needs are always tied to a strategic objective. The onboarding process includes several departments and ensures the new workforce member has everything they need to do their job. The onboarding process is fully documented (SIPOC, SWIMLANE) and includes automation where possible. The process includes monthly KPI metrics.</td>
</tr>
<tr>
<td>2,4</td>
<td>The applicant has processes deployed to measure workforce capability.</td>
<td>The applicant workforce engagement process includes sections that focus on workforce capability. The applicant performs an assessment on every workforce position to ensure position/salary requirements are met in relation to industry.</td>
</tr>
<tr>
<td>1,2,3,4</td>
<td>The applicant has a systematic process for organizing and managing its workforce.</td>
<td>The applicant uses a top-down management approach where the lowest level goals aggregate into higher level goals which stem from strategic objectives and action plans. All goals at every level include performance metrics for learning and process improvement. New goals and strategic objectives are introduced to the workforce at the annual kickoff meeting. Updates are given at the monthly all hands meeting.</td>
</tr>
<tr>
<td>Strength Comment:</td>
<td>Item Ref.</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>----------</td>
<td></td>
</tr>
<tr>
<td><strong>Nugget</strong> (criteria language):</td>
<td>The applicant has a systematic process for organizing and managing its workforce.</td>
<td>a(4)</td>
</tr>
<tr>
<td><strong>Evidence</strong> (from the application):</td>
<td>The applicant manages its workforce through a top-down management approach. Overall strategic objectives and action plans are defined during strategic planning sessions (BPC/MPC). Goals stemming from the strategic objectives and action plans are assigned to all levels of the workforce. Each workforce goal has a performance metric that is analyzed and reviewed during the monthly management meeting and future strategic planning/process improvement session.</td>
<td></td>
</tr>
<tr>
<td><strong>Relevance</strong> (key factor):</td>
<td>The applicant’s approach for managing their workforce ensures their staff is always engaged in the strategic direction defined by their board of directors.</td>
<td></td>
</tr>
<tr>
<td><strong>Done!</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Opportunities for Improvement (OFIs)

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Opportunity for Improvement</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,3,4</td>
<td>It’s unclear if the applicant has a systematic process for assessing capability and capacity needs according to strategic objectives.</td>
<td>While the applicant has processes in place to measure process inefficiencies and workforce engagement issues due to limited capability and capacity – it’s unclear if there is a systematic process for assessing capability and capacity requirements imposed by strategic objectives.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>a(1)</td>
</tr>
<tr>
<td>2, 5</td>
<td>It’s unclear if the applicant has a systematic process for measuring the health, security and accessibility of their workplace environment.</td>
<td>The applicant does not seem to have systematic processes and performance measures for workplace health, safety and accessibility.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>b(1)</td>
</tr>
</tbody>
</table>

**OIF Comment:**

**Nugget** (criteria language): It’s unclear if the applicant has a systematic process for accessing capability and capacity needs according to strategic objectives.

**Evidence** (from the application): While the applicant has processes in place to measure process inefficiencies and workforce engagement issues due to limited capability and capacity – it’s unclear if there is a systematic process for assessing capability and capacity requirements imposed by strategic objectives.

**Relevance** (key factor): Assessing needs stemming from strategic objectives will help preparing the workforce for new capacity and capability needs prior to negative impacts to process performance and workforce engagement.
Item Worksheet - Item 5.2 (Workforce Engagement)

List the 4 – 6 most significant key factors (KFs) for this Item

1. **Mission**: Enrich Lives and Empower Dreams, **Core Values**: Respect, Integrity, Innovation, Passion, Excellence
2. **Vision**: Delivering experiences that delight our Members and make them fans. Having an extremely productive and engaged workforce that loves The Applicant. Being a highly regarded partner that makes powerful contributions to improve the communities we serve. Growing The Applicant and optimizing our income solely to deliver our mission.
3. The applicant understands that their members have many choices for financial services and is driven to be the primary financial partner. The applicant is passionate about bettering themselves through education, service and continuous improvement.
4. Applicant leadership structure is broken down into 3% senior leadership and 14% middle management. 82% of applicant’s staff is non-management. Applicant’s employment status is 82% full-time and 18% part-time. Gender breakdown is 28% male and 72% female. Applicant’s workforce ethnicity is 59% Latino, 20% Caucasian, 8% African American, 6% Asian or Pacific Islander and 6% other. Applicant’s workforce age breakdown is 18-33 46%, 36-51 41%, 52-65 12%, 66+ 1%. Applicant’s workforce education breakdown is Associates Degree 11%, Bachelor’s Degree 17%, Master’s Degree 4%.
List the 4 – 6 most significant key factors (KFs) for this Item

5. The applicant is non-union, and health and safety requirements are dictated by OSHA
Strengths
<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>++</th>
<th>Strength</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,2,3,4</td>
<td></td>
<td>The applicant has a systematic process for assessing workforce engagement that includes learning and innovation.</td>
<td>The applicant’s primary way of assessing workforce engagement is through a system they’ve deployed specifically for that purpose. Their workforce engagement process measures engagement anonymously down to the department level and includes all factors of the company (management, goals, communication, benefits, salary, work environment, peers). The system produces performance measures that foster learning and innovation in future strategic planning and process improvement sessions.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>a(2)</td>
</tr>
<tr>
<td>1,2,3,4</td>
<td></td>
<td>The applicant has a systematic process for fostering an engaged workforce focused on communication and performance.</td>
<td>A culture defined by performance and communication starts at the applicants strategic and management planning sessions (BPC and MPC) where they focus on collaboration and innovation to produce the overall direction for the company. Objectives and action plans generated at the BPC and MPC are implemented as strategic projects where workforce capability and budget are assessed as part of the overall project management lifecycle. Results (KPIs) of all strategic projects are reported to senior management and the board of directors for future strategic planning sessions.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>b</td>
</tr>
</tbody>
</table>
The applicant has a systematic process for managing performance that is directly connected to their strategic planning process and includes individual and profit-sharing compensation systems.

The applicant’s performance management system is directly connected to goals and action plans defined through their strategic planning sessions (BPC and MPC). High performing workforce are awarded at the monthly management meeting and through annual appraisal compensation increases. Overall organizational performance is compensated through the applicant’s profit-sharing system. All compensation processes are tied to metrics that are monitored throughout the year.

**Strength Comment:**

<table>
<thead>
<tr>
<th>Nugget (criteria language):</th>
<th>The applicant has a systematic process for assessing workforce engagement that includes learning and innovation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence (from the application):</td>
<td>The applicant’s primary way of assessing workforce engagement is through a system they've deployed specifically for that purpose. Their workforce engagement process measures engagement anonymously down to the department level and includes all factors of the company (management, goals, communication, benefits, salary, work environment, peers). The system produces performance measures that foster learning and innovation in future strategic planning and process improvement sessions.</td>
</tr>
<tr>
<td>Relevance (key factor):</td>
<td>The applicant’s process for assessing workforce engagement is fully deployed across the organization and includes measurements for all aspects of the company. Integrated performance metrics drive learning and innovation around workforce engagement planning and process improvement sessions.</td>
</tr>
</tbody>
</table>

**Item Ref.**
a(1)
### Opportunities for Improvement (OFIs)

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Opportunity for Improvement</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,3,4</td>
<td>It’s unclear how key drivers for workforce engagement are determined.</td>
<td>While the applicant has a systematic process for assessing workforce engagement, it’s unclear if there is a systematic process for determining drivers for workforce engagement.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>a(1)</td>
</tr>
<tr>
<td>2,3</td>
<td>It’s unclear if workforce engagement and productivity are assessed.</td>
<td>It’s unclear if the applicant has a systematic process for connecting workforce engagement and performance metrics for productivity.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>a(2)</td>
</tr>
<tr>
<td>2,3,4</td>
<td>It’s unclear if there is a systematic process for learning and development.</td>
<td>While the applicant has a process for learning and development, it’s unclear if the process is systematic with cycles of learning and innovation.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>c(3)</td>
</tr>
</tbody>
</table>

**OFI Comment:**

<table>
<thead>
<tr>
<th>Nugget (criteria language):</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>It’s unclear how key drivers for workforce engagement are determined.</td>
<td>a(1)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evidence (from the application):</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>While the applicant has a systematic process for assessing workforce engagement, it’s unclear if there is a systematic process for determining drivers for workforce engagement.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Relevance (key factor):</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Determining which drivers impact workforce engagement will help the applicant achieve a highly engaged workforce.</td>
<td></td>
</tr>
</tbody>
</table>
## Item Worksheet - Item 6.1 (Work Processes)

List the 4 – 6 most significant key factors (KFs) for this Item

1. **Vision:** Delivering experiences that delight our Members and make them fans. Having an extremely productive and engaged workforce that loves The Applicant. Being a highly regarded partner that makes powerful contributions to improve the communities we serve. Growing The Applicant and optimizing our income solely to deliver our mission.
2. The applicant understands that their members have many choices for financial services and is driven to be the primary financial partner. The applicant is passionate about bettering themselves through education, service and continuous improvement.
3. The applicant’s range of financial services includes various consumer loans and deposit products. Leading financial services include auto loans and checking accounts. The applicant is starting to specialize in small business products such as small business loans, commercial real estate and business checking accounts.
4. The applicant has key suppliers of technology that facilitate service delivery. Some of these suppliers include: Jack Henry (Episys), World Pay (Card Purchasing), Alkami (Online/Mobile Banking), Alogent (Item Processing), NCR (ATM Machines and Technology), Enghouse (Cell Center), VMWare (Datacenter and Workstation Technology).
List the 4 – 6 most significant key factors (KFs) for this Item

5. The applicant delivers its financial services through brick-and-mortar branches (13) and digitally. Primary digital platforms include card payment systems (Debit / Credit), Online Banking (Desktop / Mobile) including various bill payment platforms and an internally staff call center with automated telephone banking.
<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Strength</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,3,5</td>
<td>The applicant has a systematic process for improving work and support processes that include learning and innovation.</td>
<td>The applicant has developed an in-house “Delta Team” process that allows the workforce to take part in process documentation and improvement training. The training concludes with a real-world project where each trainee improves a key process from their respective area. Process metrics are developed for the selected process to track improvement over time.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>b(3)</td>
</tr>
<tr>
<td>1,2</td>
<td>The applicant has systematic processes for pursuing and managing opportunities for innovation.</td>
<td>The applicant has two internally developed process for detecting and pursuing opportunities for innovation. 1) The “Delta Team” training process teaches the workforce how to define processes, measure performance and innovate around improvement. 2) The internally developed MERT system provides a platform for customers (members) and the workforce to submit feedback. Results are aggregated and delivered to management where they are used in strategic planning, process improvement and product development processes.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>d</td>
</tr>
</tbody>
</table>

### Strength Comment:

**Nugget (criteria language):** The applicant has systematic processes for pursuing and managing opportunities for innovation. | Item Ref. | d
**Strength Comment:**

| Evidence (from the application): | The applicant has two internally developed process for detecting and pursuing opportunities for innovation. 1) The “Delta Team” training process teaches the workforce how to define processes, measure performance and innovate around improvement. 2) The internally developed MERT system provides a platform for customers (members) and the workforce to submit feedback. Results are aggregated and delivered to management where they are used in strategic planning, process improvement and product development processes. |
| Relevance (key factor): | The applicant’s systematic processes for fostering and managing their opportunities for innovation help them keep their workforce engaged in their mission to turn their members into fans. |
| Done! | |

### Opportunities for Improvement (OFIs)

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Opportunity for Improvement</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,2</td>
<td>It’s unclear how key support process are determined.</td>
<td>While systematic processes for measuring key support processes are evident, it’s unclear how these key support processes are determined.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>b(2)</td>
</tr>
<tr>
<td>2, 3</td>
<td>It’s unclear if the applicant has a process for designing and making changes to work processes.</td>
<td>The applicants work processes are well defined and many contain process performance metrics. However, it’s unclear if the applicant has a process for designing and making changes to work processes.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>a(3)</td>
</tr>
</tbody>
</table>
### OFI Comment:

<table>
<thead>
<tr>
<th>Nugget (criteria language):</th>
<th>It’s unclear how key support process are determined.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence (from the application):</td>
<td>While systematic processes for measuring key support processes are evident, it’s unclear how these key support processes are determined.</td>
</tr>
<tr>
<td>Relevance (key factor):</td>
<td>A systematic process for determining key support processes would ensure key work processes are efficient and effective across the various channels used by the applicant to service their customers (members).</td>
</tr>
</tbody>
</table>

### Done!

### Scoring:

<table>
<thead>
<tr>
<th>Item Scoring Range: (i.e. 50-65; refer to page 34 of the Baldrige Framework)</th>
<th>50-65%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item Overall Score: (i.e. 55; select an actual score in an increment of 5)</td>
<td>65%</td>
</tr>
<tr>
<td>Notes:</td>
<td>(you may want to use this space to include any rationale or explanation for your proposed score)</td>
</tr>
</tbody>
</table>
Item Worksheet - Item 6.2 (Operational Effectiveness)

List the 4 – 6 most significant key factors (KFs) for this Item

1. **Vision**: Delivering experiences that delight our Members and make them fans. Having an extremely productive and engaged workforce that loves The Applicant. Being a highly regarded partner that makes powerful contributions to improve the communities we serve. Growing The Applicant and optimizing our income solely to deliver our mission.

2. The applicant understands that their members have many choices for financial services and is driven to be the primary financial partner. The applicant is passionate about bettering themselves through education, service and continuous improvement.

3. The applicant’s range of financial services includes various consumer loans and deposit products. Leading financial services include auto loans and checking accounts. The applicant is starting to specialize in small business products such as small business loans, commercial real estate and business checking accounts.

4. The applicant has key suppliers of technology that facilitate service delivery. Some of these suppliers include: Jack Henry (Episys), World Pay (Card Purchasing), Alkami (Online/Mobile Banking), Alogent (Item Processing), NCR (ATM Machines and Technology), Enghouse (Call Center), VMWare (Datacenter and Workstation Technology).

5. The applicant delivers its financial services through brick-and-mortar branches (13) and digitally. Primary digital platforms include card payment systems (Debit / Credit), Online Banking (Desktop / Mobile) including various bill payment platforms and an internally staff call center with automated telephone banking.
<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>Strength</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,2,3,4,5</td>
<td>The applicant has a systematic process for ensuring security and cyber security of information and key assets that includes cycles of learning and innovation.</td>
<td>They applicant has deployed various systematic processes for ensuring the security and cybersecurity of its information and key assets. These processes include specialized security systems, workforce training and exercises and vendor risk assessments. All security and cybersecurity processes are measured (KPIs) and include cycles of learning and innovation.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>b</td>
</tr>
<tr>
<td>1,2,3,5</td>
<td>The applicant has systematic processes for managing the cost, efficiency and effectiveness of its operations that includes cycles of learning and innovation.</td>
<td>The applicants processes for managing the cost, efficiency and effectiveness are standardized across the enterprise (systematic) and often focus on metrics that measure the effectiveness of service provided (Service SLA, Satisfaction) and reducing overall friction for members to access their financial products (Cycle Time, Credit Card Fraud False Positive Rate, System Outages). These processes all have performance measures (KPIs) and are used for strategic planning, process improvement and product design.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>a</td>
</tr>
</tbody>
</table>

**Strength Comment:**

<table>
<thead>
<tr>
<th>Nugget (criteria language):</th>
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<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>b</td>
</tr>
</tbody>
</table>
### Strength Comment:

| Evidence (from the application): | They applicant has deployed various systematic processes for ensuring the security and cybersecurity of its information and key assets. These processes include specialized security systems, workforce training and exercises and vendor risk assessments. All security and cybersecurity processes are measured (KPIs) and include cycles of learning and innovation. |
| Relevance (key factor): | The applicant’s security processes span all service channels and engage the entire workforce and all key suppliers. This systematic process helps them secure their sensitive information and key assets across all service channels. |

Done!

### Opportunities for Improvement (OFIs)

<table>
<thead>
<tr>
<th>Relevant KF</th>
<th>--</th>
<th>Opportunity for Improvement</th>
<th>Evidence</th>
<th>A</th>
<th>D</th>
<th>L</th>
<th>I</th>
<th>Item Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2, 3, 5, 6</td>
<td></td>
<td>It’s unclear if the applicant’s business continuity process includes workforce and supply network partners.</td>
<td>While the applicant has deployment a systematic process for ensuring technology system availability during a disaster, it’s unclear if the applicant’s overall business continuity process includes planning a consideration with its workforce and key supply network and partners.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>c(2)</td>
</tr>
</tbody>
</table>

### OFI Comment:

<table>
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<tr>
<th>Nugget (criteria language):</th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OFI Comment:</strong></td>
<td><strong>Item Ref.</strong></td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td><strong>Evidence</strong> <em>(from the application):</em></td>
<td>While the applicant has deployment a systematic process for ensuring technology system availability during a disaster, it’s unclear if the applicant’s overall business continuity process includes planning a consideration with its workforce and key supply network and partners.</td>
<td></td>
</tr>
<tr>
<td><strong>Relevance</strong> <em>(key factor):</em></td>
<td>Including the applicant’s workforce and key supply network and business partners will establish a systematic process for business continuity planning that will help prepare the various channels used to service the applicant’s customers (members) in the event of a large-scale disaster.</td>
<td></td>
</tr>
<tr>
<td><strong>Done!</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Scoring:** | |
| **Item Scoring Range:** *(i.e. 50-65; refer to page 34 of the Baldrige Framework)* | 70-85% |
| **Item Overall Score:** *(i.e. 55; select an actual score in an increment of 5)* | 75% |
| **Notes:** | *(you may want to use this space to include any rationale or explanation for your proposed score)* |
REFERENCES

