



Practicing What We Preach: Making Improvements at the Minnesota Council for Quality

**ASQ – Minnesota Section
November 11, 2003**

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President, Minnesota Council for Quality**

*creating a
State of excellence*





Today's Discussion

- **(Re)Introduce the Minnesota Council for Quality**
 - Beneath the radar: what happened the last 3-5 years?
 - Setting the context: introduce the Council's evolving vision
- **Discuss the Council's Core Service: Organizational Assessments (and the Minnesota Quality Award)**
 - Summarize the process
 - Outline the changes made the last 1-2 years
- **Summarize the other organizational improvement services now offered by the Council**



What Happened the Last Few Years?

- **We lost state funding in 1998**
- **As a result, we struggled for 2-3 years**
 - Customer demand decreased
 - Volunteer support decreased
 - Member contributions decreased
- **So we took a dose of our own medicine and began to identify and respond to customer/market needs**
 - The rest of this discussion will outline some of the significant changes we have made as a result



Who We Are

- A non-profit founded in 1987
- Our vision is:
 - To become recognized as a primary resource for organizations seeking to improve their results, effectiveness, and/or competitiveness
 - To advance performance excellence in Minnesota organizations, and thereby foster economic development and job preservation/creation throughout the state
- Our goal is to *create a State of excellence.*



Our Mission: Advancing Excellence

Assess Performance

We help organizations understand and prioritize their current strengths and improvement opportunities (and recognize excellence through the Minnesota Quality Award).

Improve Performance

We broker resources that can assist organizations in improving their performance and/or competitiveness.



Where Do You Start?





Focusing Energy & Resources





Our Core Service: An Assessment

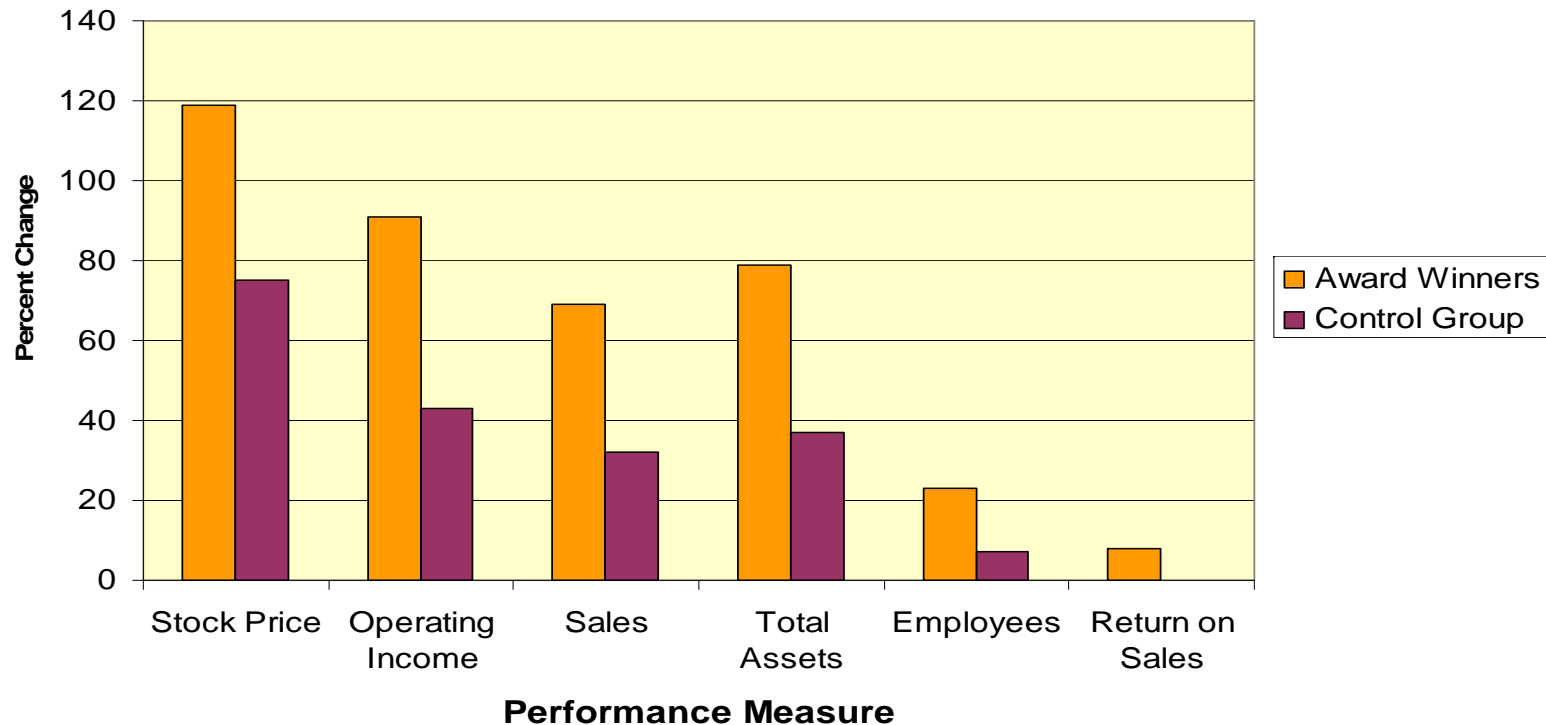
- Identifies key strengths and improvement opportunities within an organization, upon which improvement plans can be created and prioritized
- Facilitates the improvement, alignment, and integration of overall organizational effectiveness and capabilities
- Assists in the delivery of ever-improving value to customers/stakeholders
- Facilitates organizational and personal learning
- Monitors progress over time





First, the Evidence...

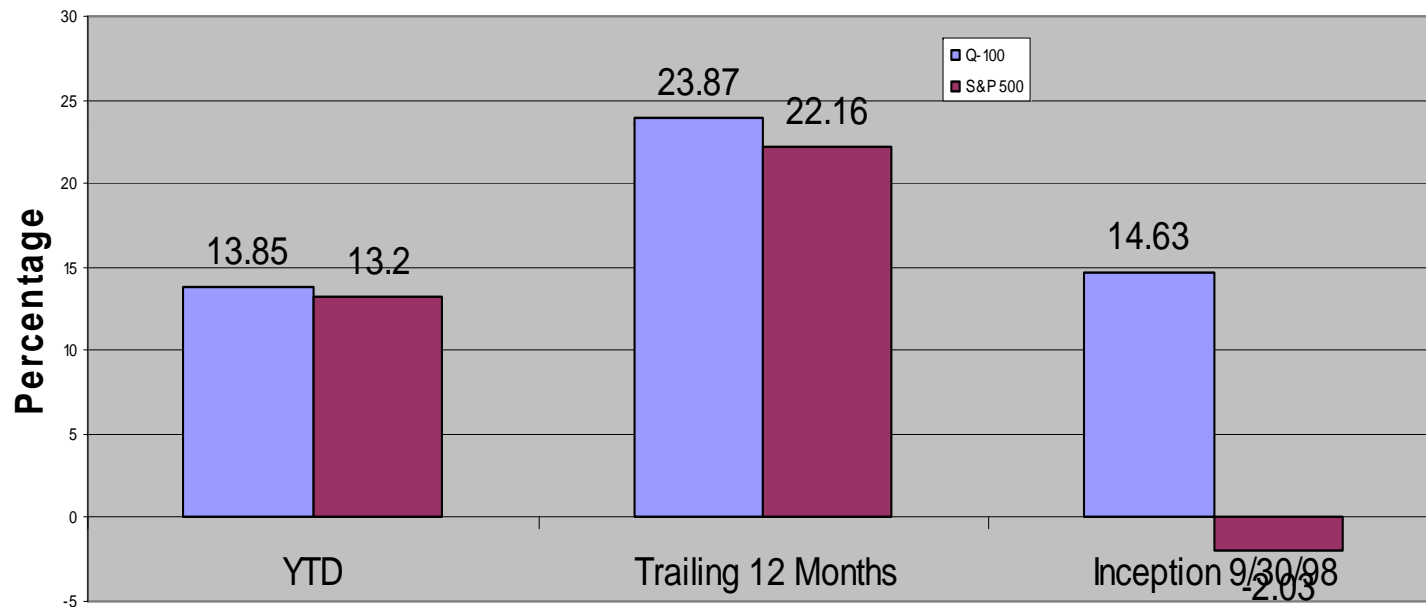
**Comparison of Award Winning Firms and Control Firms
Average % Change in Performance Measure**





...First, the Evidence

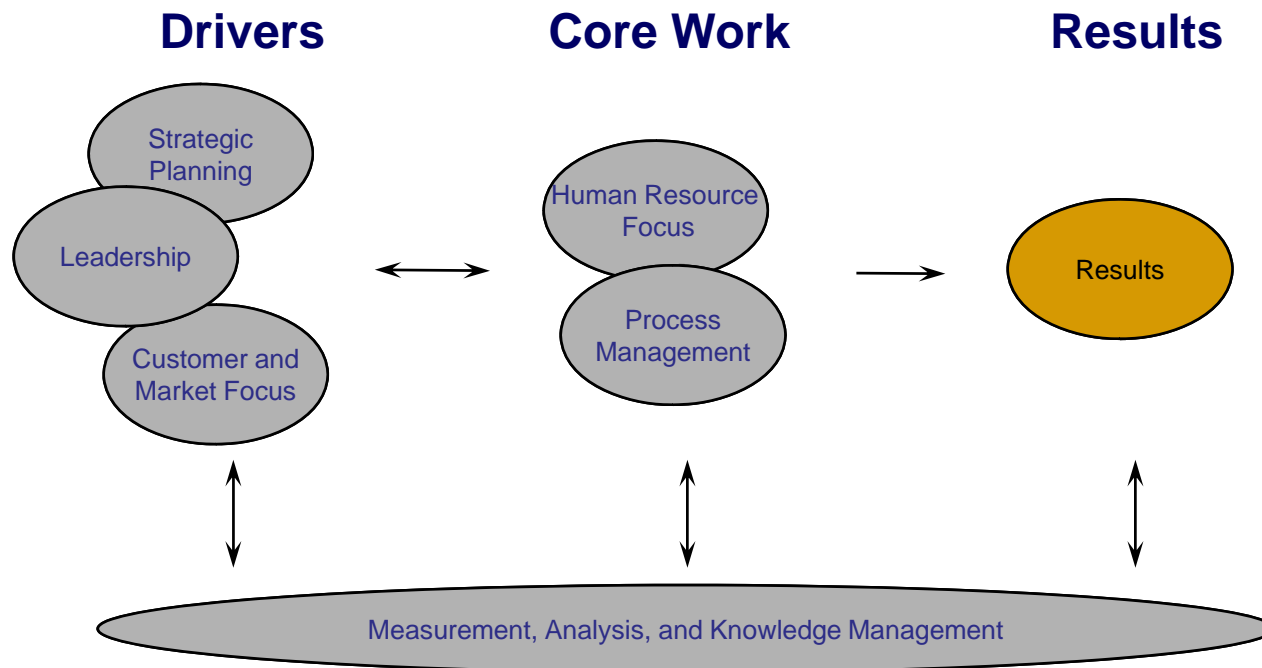
Performance comparison of the Q-100, S&P500 as of 9/30/03



Source: Q100 Index, Robinson Capital Management



The Assessment Framework



The foundation of the assessment is the Malcolm Baldrige National Quality Award, which outlines validated Criteria that have been shown to produce excellent organizational results. The Criteria are divided into seven Categories which form an organizational system.



Criteria for Performance Excellence

3.1 Customer and Market Knowledge (40 points)

Approach-Deployment

Describe how your organization determines short- and longer-term requirements, expectations, and preferences of customers and markets to ensure the relevance of current products/services and to develop new opportunities.

Within your response, include answers to the following questions:

a. Customer and Market Knowledge

- (1) How do you determine or target customers, customer groups, and/or market segments? How do you consider customers of competitors and other potential customers and/or markets in this determination?
- (2) How do you listen and learn to determine key requirements and drivers of purchase decisions for current, former, and potential customers? If determination methods differ for different customers and/or customer groups, include key differences.
- (3) How do you determine and/or project key product/service features and their relative importance/value to customers for purposes of current and future marketing, product planning, and other business developments, as appropriate? How do you use relevant information from current and former customers, including marketing and sales information, customer retention, won/lost analysis, and complaints, in this determination?
- (4) How do you keep your listening and learning methods current with business needs and directions?

SAMPLE

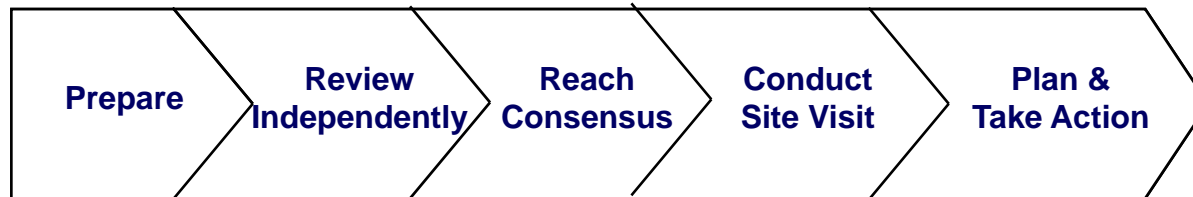


The Assessment is Flexible

- Is based on a set of validated, leading edge practices
- Is applicable to *any* organizational entity –
 - manufacturing, service, health care, schools, non-profits, public sector
- Is scaleable –
 - can be used for very small or very large, complex organizations (or parts of organizations)
- Encourages communication and knowledge sharing – helps build a common language



Assessing Performance with the Criteria



Category 2 -- Strategic Planning
2.1 Strategy Development 6

Gemini develops strategic plans for improving its health services and business performance results through a three-phase Strategic Planning Process.

The key players involved in the Strategic Planning Process span the entire organization and include representatives from the GBOD as well as front-line staff. Input is also gathered from other staff, suppliers, and strategic partners (University of Lakeland Hospital, Healing Hands) for inclusion in the environmental assessment. This approach provides Gemini with a representative cross-section of all facets of the organization and, when combined with input from customer survey results, mystery shopping or competitive shopping, and market-related analysis of competitors and trends, provides the LT with the initial framework for the strategic planning retreat.

The Strategic Planning Process is an ongoing process with three distinct phases that are all illustrated in Figure 2.1-1. Evaluation and improvement of the Strategic Planning Process begin immediately upon completion of the annual plan. This Phase 1, the pre-planning phase, which begins in January with an evaluation of the previous year's Strategic Planning Process and suggests/implements recommendations for improving the process. Up until this year, Gemini has only used the percent deviation between actual and budgeted expenses to monitor its progress toward achieving strategic goals. Typical results are within 5% to 10% of plan. A recommended improvement from last year was to include measures that will add value by increasing the accuracy and effectiveness of the planning

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process or by improving cycle time. Metrics will be incorporated that assess participant contributions, and evaluate adherence to timeliness and the level of agreement on the financial projections in the 1998 planning process. Another improvement included the involvement of John Adams, a key physician from the University of Lakeland Hospital's cardiac program, in Gemini's planning process to ensure that clinical issues are addressed.

Figure 2.1-1 Strategic Planning Process

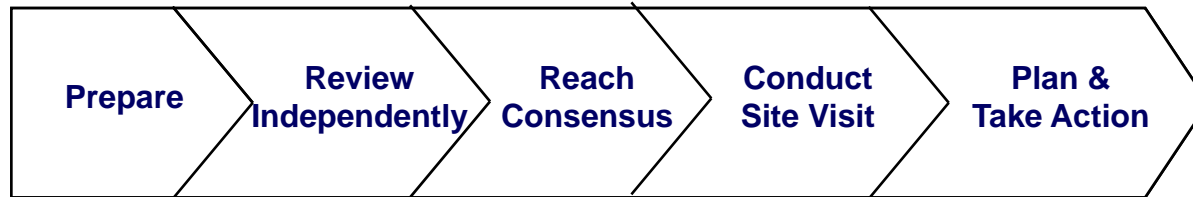
Phase	When	What	Who
Phase I -- Pre-Planning	January	Evaluate previous yr's process/ID improvements	GBOD LT/Director of Planning
Phase II -- Environmental Analysis	4	<ul style="list-style-type: none"> Meet customers, network, external mtgs., distrib. Quality/JCAHO info Perform compet. analysis Conduct survey/focus groups 	LT
	Biannually	<ul style="list-style-type: none"> Review results Review results vs plan SWOT analysis 	MCO Consultant Supplier reps
	Quarterly		Branch managers LT/GBOD Planning Teams
Phase III -- Strategic Plan Development	September	Planning retreat: risk analysis, partner capabil's; draft initial plan	LT, Planning Team
	October	Review/update plan; devlop financials/resources/budget	Branch mgrs, Segment Specialists
	November	Review/modify budget; follow-up retreat (if nec.)	LT, Planning Team
	December	Approve budget; communicate to staff	GBOD, all staff
Deployment			

Gemini refers to as Phase II of the Strategic Planning Process. This phase looks at external opportunities and threats as well as internal strengths and weaknesses.

We also offer a "short-cut" approach (the Baldrige Express), which is a behaviorally anchored survey. This tool saves time and resources, but still offers value to smaller organizations or organizations earlier in their journey.



Assessing Performance: The Output



Item 5.3 Employee Well-Being and Satisfaction

XYZ Company Assessment Scoring Summary

Strengths	1 Leadership		67
+ (a) XY monthly	1.1 Organizational Leadership		43
+ (b) XY fitness	1.2 Social Responsibility		24
+ (c1) X being, before	2 Strategic Planning		26
	2.1 Strategy Development		12
	2.2 Strategy Deployment		14
	3 Customer and Market Focus		47
	3.1 Customer and Market Knowledge		20
	3.2 Customer Satisfaction and Relationships		27
Opportunities	4 Measurement, Analysis, and Knowledge Management		49
- (a) The work environment	4.1 Measurement and Analysis of Organizational Performance		24
- (b) Although a result	4.2 Information and Knowledge Management		25
- (c1) It is satisfactory making	5 Human Resource Focus		45
- (d) Although not applicable well-being satisfactory	5.1 Work Systems		14
	5.2 Employee Learning and Motivation		13
	5.3 Employee Well-Being and Satisfaction		18
	6 Process Management		53
	6.1 Value Creation Processes		39
	6.2 Support Processes		14
	7 Results		220
	7.1 Customer Focused Results		38
	7.2 Product and Service Results		32
	7.3 Financial and Market Results		25
	7.4 Human Resource Results		50
	7.5 Organizational Effectiveness Results		45
	7.6 Governance and Social Responsibility Results		30
			507



Minnesota Quality Award

- Although the primary goal is learning and improvement, we also recognize levels of performance excellence through the Minnesota Quality Award.
- Four Award levels given for organizations that complete a site visit:
 - Commitment
 - Advancement
 - Achievement
 - Excellence





So What Has Changed?

- **The Criteria have changed considerably**
- **We are making the process more flexible**
 - Our schedule is now “rolling,” benefiting both customers and volunteer Evaluators
 - We now offer a “menu” of tools
 - We can customize assessments to fit customers’ needs
- **We changed the Evaluator training pricing structure**
- **We have focused on improving the process itself – another example of “practicing what we preach”**
- **We are now changing the way the service is marketed and delivered**
 - **Sector and community “cohorts”**



Finding Improvement Resources

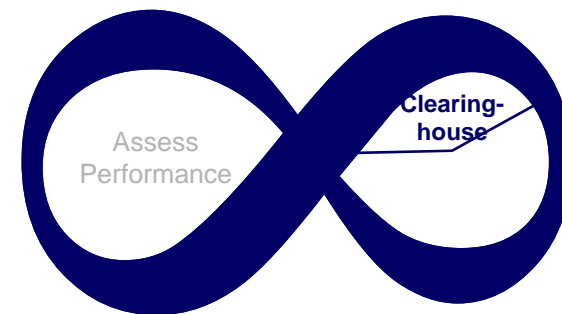
- Your organization has gone through the process of identifying and prioritizing improvement opportunities – now what??
- The Minnesota Council for Quality has developed four services to broker resources, knowledge, best practices, and information on organizational improvement





Improvement Clearinghouse

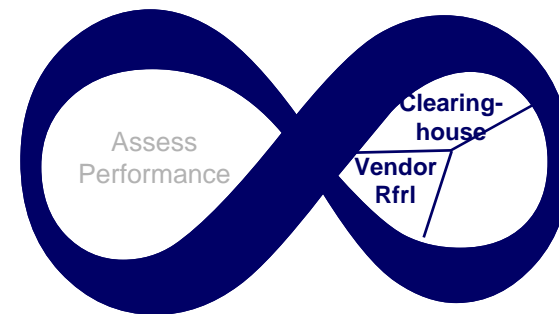
- Part of the Council's website; intended to provide information, knowledge, and best practices on organizational improvement
- A resource center filled with information such as:
 - Whitepapers and articles
 - Links to other improvement-related sites/organizations
 - Announcements of upcoming improvement events/training
 - Benchmarking resources
 - A resource center
- Some content/functional is member-only





Vendor Referral Service

- An on-line, dynamic search engine to locate consultants, trainers, coaches, and facilitators specializing in some aspect of improvement
- Intended to match expert external resources with member organizations desiring to hire them
- More efficient, less costly, more effective, and less risky
- Member-only





Vendor Referral Service

SAMPLE VENDOR SEARCH

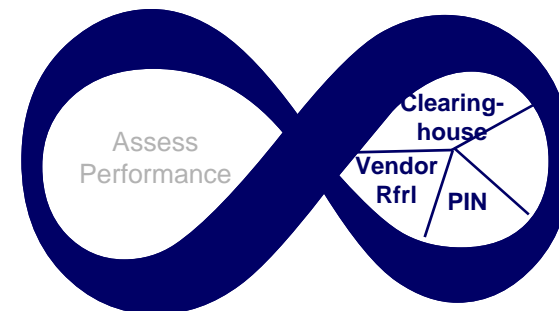
SAMPLE

- 1) My organization needs help with
- Baldrige
 - Six Sigma
 - ISO
 - Balanced Scorecard
 - Lean Manufacturing
 - Customer Satisfaction
 - Etc., etc.
- 2) I prefer a vendor based in
- Twin Cities
 - NW/West MN
 - SW/SE MN
 - NE MN
 - Out of state
 - No preference
- 3) I prefer a vendor with
- 1-3 years' experience/in business.
 - 3-5 years'
 - 5-10 years'
 - 10+ year's
 - It doesn't matter
- 4) Prefer a(n)
- independent (1-2 person) vendor.
 - small (3-20 person)
 - medium (20-50 person)
 - large (50+ person)
 - doesn't matter



Performance Improvement Network

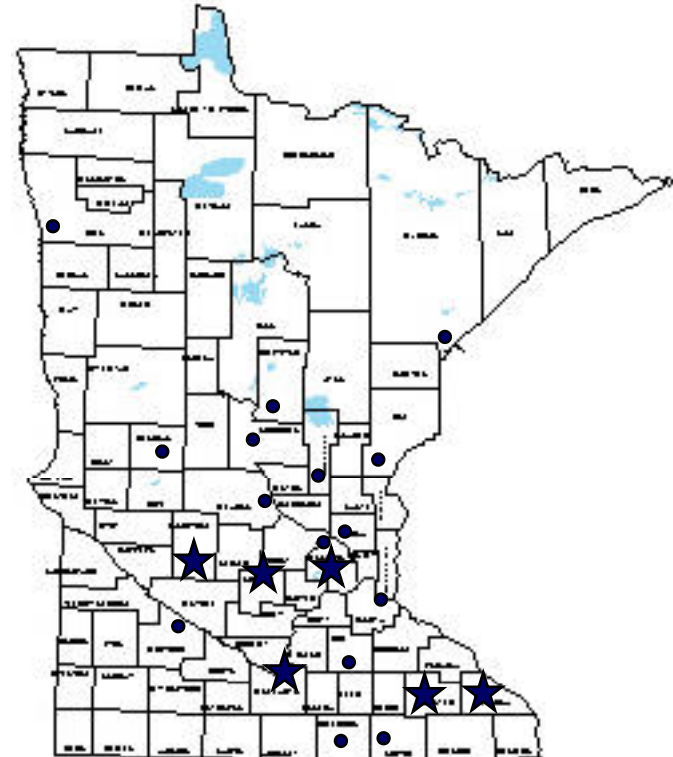
- A forum for sharing information and best practices
 - Monthly breakfasts; 50-60 managers/ professionals.
 - Recent topics include Six Sigma, Balanced Scorecard, ethics, innovation, ISO, Baldrige, Lean thinking
 - Speakers are typically practitioners who have first-hand experience with improvement.
- Also a forum for networking





Networks in Greater Minnesota

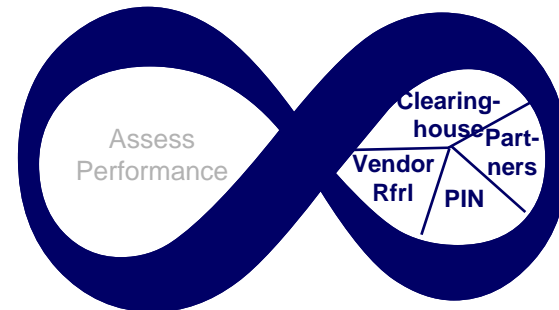
- Building, rebuilding, and forming alliances with regional quality councils:
 - Rochester Area Quality Council
 - Crow River Quality Council
 - Mankato Area Quality Council
 - Others (Winona, Willmar)





Partnerships/Alliances

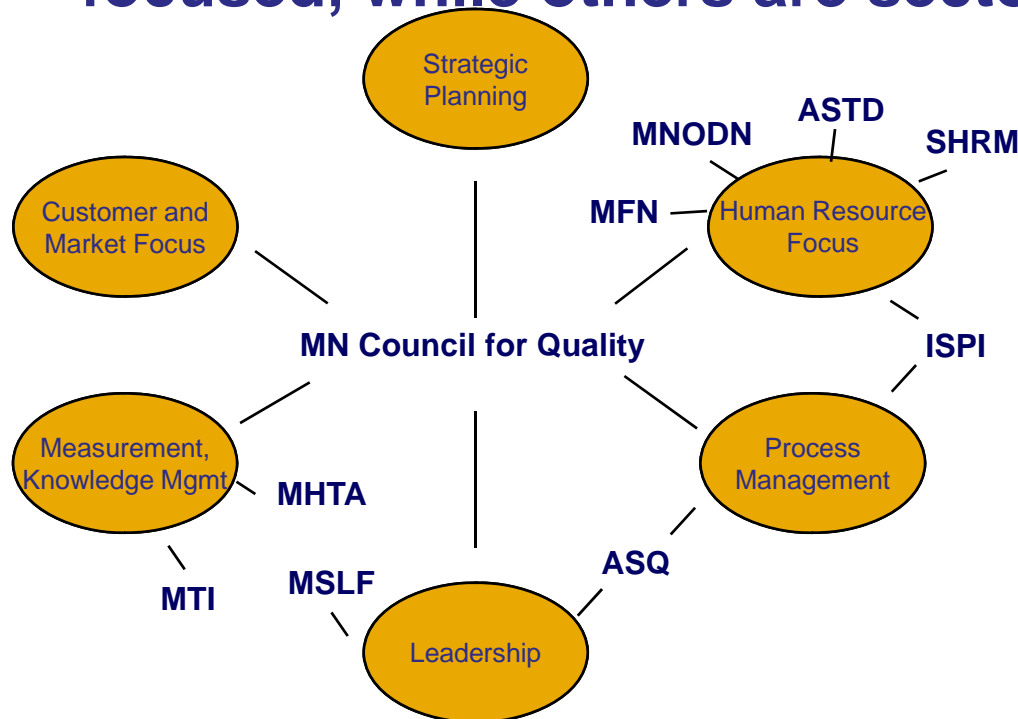
- Forming relationships with other organizations that specialize in some aspect of organization improvement
- We have established agreements with several organizations:
 - University of Minnesota's CCE
 - Century College
 - MN Strategic Leadership Forum
 - Minnesota Academic Excellence Foundtn.
 - University of St. Thomas, The Management Center
 - Inver Hills Community College
 - Rochester Area Quality Council (RAQC)





Partnerships/Alliances

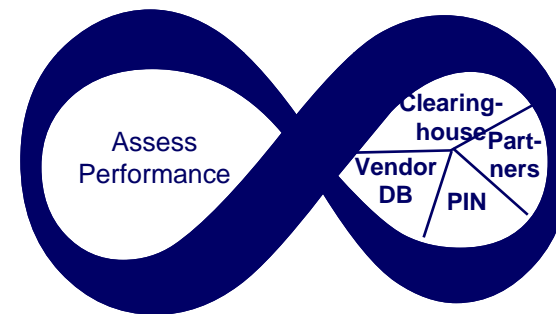
- Building a “network of networks” to broker information and knowledge between constituents
- Some clusters of alliances are functionally-focused, while others are sector-focused





Building Value for Our Members

- **Recognition**
 - Listing on the website
 - Listing in the newsletter
 - Press release
 - Certificate/letter
- **Access to our services**
 - Clearinghouse
 - Vendor Referral Service
 - Member benchmarking
- **Discounts to our services**
 - Complimentary PIN meetings
 - Evaluator discount
 - Organizational assessment discount
- **Discounts to our partners' services**
 - Currently seven alliances and growing





So What (Else) Has Changed?

- **Not only have we changed/improved our core assessment services, but...**
- **We have built several mechanisms to broker improvement-related resources, information, and knowledge**
- **We have focused on building value for our membership**
- **We continue to build/improve our support processes (such as customer contact, customer relationship management, volunteer support, etc.)**



About the Speaker

Brian Lassiter was elected president of the Minnesota Council for Quality in the summer of 2001. Before his election, Brian held positions with the following organizations: Ian Alliot Consulting (Managing Director), Norstan Consulting (Principal Consultant), The St. Paul Companies (Corporate Quality Consultant), Price Waterhouse (Consultant), and Boatmen's National Bank (Quality Manager). In these roles, Brian has worked with dozens of organizations in a variety of industries to help them improve their performance and competitiveness. Brian has served six years on the Board of Examiners for the Malcolm Baldrige National Quality Award (1998-2003), the last three as a Senior Examiner. He has also served as a Senior Evaluator for the Minnesota Quality Award (two years) and served on the Board of Directors for Goodwill/Easter Seals of Minnesota between 1995-2003. He can be reached at lassiter_brian@hotmail.com or 612-868-3519 (cell).

Founded in 1987, the Minnesota Council for Quality is a 501 (c)(3) non-profit that helps organizations improve performance, results, and/or competitiveness. For more information, please visit www.councilforquailty.org or contact the Council at mc4quality@aol.com.