

# Assessing Result Items – what to include and how it is scored

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# Agenda

- ▶ Introduction to Result Measures
- ▶ Overview of the three sections of an application based on Performance Excellence Criteria
  - Organizational Profile
  - Process Criteria Responses
  - Results Criteria Responses
- ▶ Result Evaluation Factors
- ▶ Result Scoring Ranges
- ▶ Result Practice Exercise
- ▶ Exercise
- ▶ Q&A

# Introduction to Result Measures

Quantitative – finite and measureable – length, height, volume, speed, time, temperature, cost, age, etc.

Examples:

- ▶ Cycle time = 27 minutes
- ▶ Cost = \$17.50 per unit
- ▶ 8"x11" paper

Qualitative – Feeling or descriptive such as color, smell, taste, and appearance.

Examples:

- ▶ The lawn is green
- ▶ The building is beautiful
- ▶ The coffee is strong

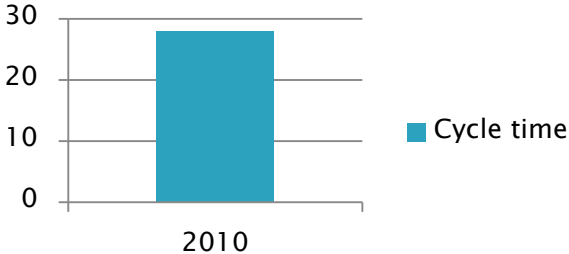
# Introduction to Result Measures

## Key characteristics of a Result Measure

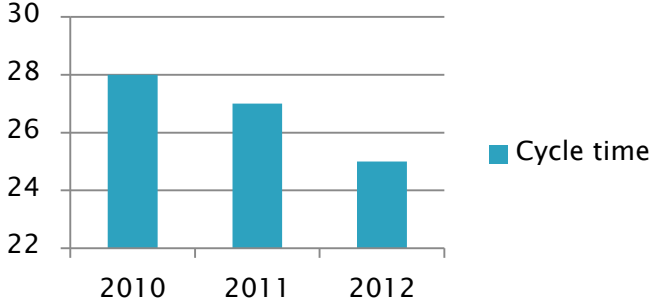
- ▶ Quantifiable (i.e. 80% of customers would use our service again)
- ▶ Improving, deteriorating, or staying the same over time
- ▶ Lags, meets, or exceeds others doing similar work
- ▶ Important or unimportant to business success
  
- ▶ To answer these questions – how might a result be displayed?

Evaluate the following results based on the characteristics just discussed

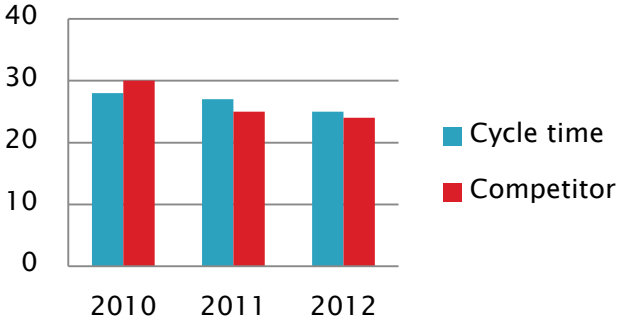
1. Cycle time - Days



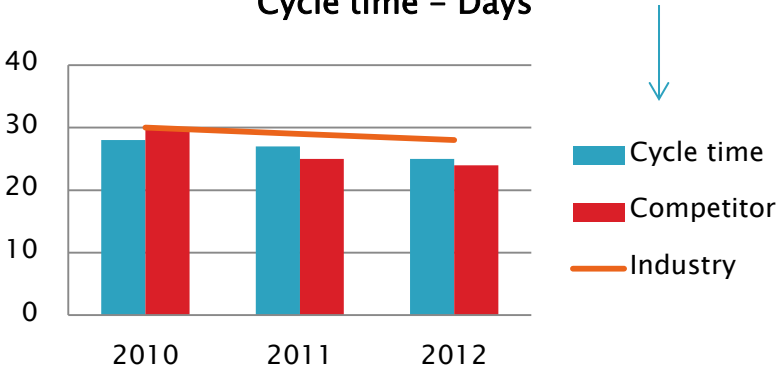
2. Cycle time - Days



3. Cycle time - Days



4. Key Customer Requirement, Cycle time - Days



# Sections of an Application based on Performance Excellence Criteria

**ORGANIZATIONAL PROFILE** – “is a snapshot of your organization, the KEY influences on HOW it operates, and the KEY challenges it faces.”

Areas addressed include:

- ▶ Organizational Environment – Product Offerings, Vision and Mission, Workforce Profile, Assets, Regulatory Requirements
- ▶ Organizational Relationships – Organizational Structure, Customers and Stakeholders, Suppliers and Partners
- ▶ Competitive Environment – Competitive Position, Competitiveness Changes, Comparable Data
- ▶ Strategic Context – Challenges and Advantages
- ▶ Performance Improvement System

# Sections of an application based on Performance Excellence Criteria

**PROCESS CRITERIA ITEMS** – six categories, containing a total of 12 Items, asks you to define your organization's processes.

- ▶ Leadership – how leadership's personal actions guide and sustain the organization (vision, values, mission, communications and organizational performance, governance, legal and ethical behavior, and societal responsibilities)
- ▶ Strategic Planning – how the organization develops and implements strategic objectives and action plans (strategy development, strategic objectives, action plan development and deployment, performance projections)
- ▶ Customer Focus – listens to the voice of the customer, builds relationships, uses information to improve (listening, determination of satisfaction and engagement, product offerings and customer support, building relationships)

# Sections of an application based on Performance Excellence Criteria

**PROCESS CRITERIA ITEMS** – six categories, containing a total of 12 Items, asks you to define your organization's processes.

- ▶ Measurement, Analysis, and Knowledge Management – how the organization selects, analyzes, and improves data and knowledge assets (performance measurement, analysis and review, improvement, organizational knowledge, data, information, and information technology)
- ▶ Workforce Focus – how the organization assesses capability and capacity and builds a work environment conducive to high performance (capability and capacity, workforce climate, workforce performance, engagement, workforce and leader development)
- ▶ Operations Focus – how the organization designs, manages, and improves products and work processes (product/process design, process management, Cost control, supply-chain management, safety and emergency preparedness, innovation management)



# Sections of an application based on Performance Excellence Criteria

**RESULTS CRITERIA ITEMS** – one category, containing a total of five Items, asks you to report results for your organization's processes.

- ▶ *Product and Process Results* – product performance and process effectiveness
- ▶ *Customer Focused Results* – satisfaction and engagement
- ▶ *Workforce Focused Results* – capability, capacity, climate, engagement, and development
- ▶ *Leadership and Governance Results* – Leadership, governance, societal responsibility, and strategy implementation
- ▶ *Financial and Market Results* – financial performance and marketplace performance

# So....

- ▶ The ORGANIZATIONAL PROFILE tells us “what” is important to the organization.
- ▶ The PROCESS CRITERIA ITEMS tell us “how” inputs are transformed into value-added outputs that move the organization towards those areas identified as important.
- ▶ The RESULTS CRITERIA ITEMS tell us “how well the organization is doing” in those areas that were identified as important.
- ▶ *Conclusion – the three areas of a Baldrige-type application are separate but related (aligned or integrated by common areas of importance)*

# Result Evaluation Factors

- ▶ **Levels** – performance level on a meaningful, measureable, scale.
- ▶ **Trends** – rate of improvement, deterioration, or continuance. Three data points is the beginning of a trend. Four or more data points is a trend.
- ▶ **Comparisons** – performance relative to other appropriate organizations (competitors, industry, benchmarks).
- ▶ **Integration** – results, often through segmentation, address important requirements relating to customers, products, markets, processes, and action plans. Also considers future performance and harmonization across processes, units, or the organization.

# Result Scoring Guidelines

- ▶ The guidelines are divided into score ranges:  
(0–5%, 10–25%, 30–45%, 50–65%, 70–85%, 90–100%)
- ▶ Each score range contains a narrative description of all four evaluation criteria
- ▶ For each criteria item evaluated, an examiner considers:
  - Which results are expected,
  - Performance (evaluation of each result provided),
  - Which score range is most descriptive of the organization's maturity level,
  - The score range descriptions above and below the selected range to estimate the maturity level within the selected range.
- ▶ Reference scoring guidelines

# General Result Examination Process

- ▶ What do you expect to see?
- ▶ What is provided?
- ▶ Are there groups of results?
- ▶ Maturity assessment –
  - Evaluate each result in terms of Le, T, C, and I
  - Group results – as appropriate
  - Consider relative importance of results provided
  - Consider expected results not shown
- ▶ Determine score range
  - Starting at the 50 – 65% score range, read descriptions (higher and lower) until a “best fit” is identified
  - Review the next higher and next lower score range descriptions. Use these descriptions to estimate where within the “best fit” range the score should be

# Practice – Instructions

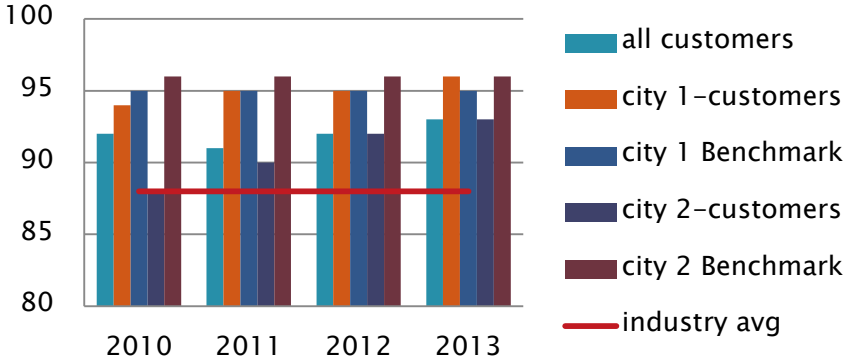
- ▶ What do you expect to see?
- ▶ What is provided?
- ▶ Assess maturity levels in terms of evaluation factors Le, T, C, and I
- ▶ Determine score range – “best fit”
- ▶ Review higher and lower score range to estimate maturity level within the “best fit” range (selected range)

# Practice – Applicant specifics

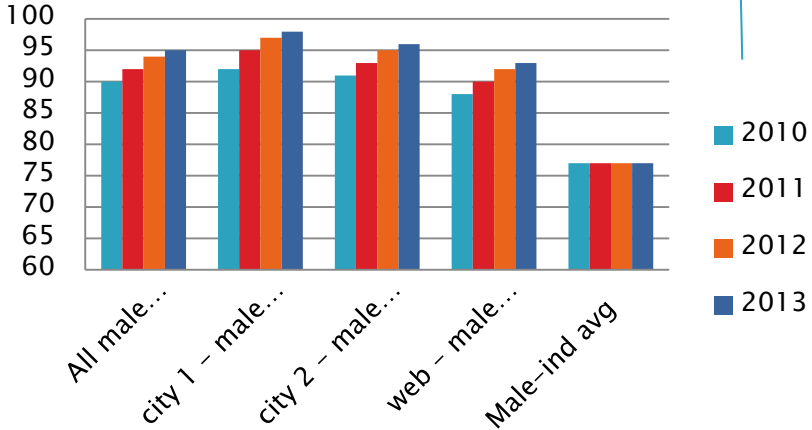
- ▶ Criteria are looking for – customer satisfaction, dissatisfaction, engagement (including relationships) and how results compare over the course of the customer life cycle
- ▶ **Key Factors to consider:**
- ▶ Produces and sells shaving products (products are made available to customers through stores in 3 cities and a website)
- ▶ Customer groups and requirements
  - Men (50% of business) require no cuts and comfortable grip
  - Women (40% of business) require no cuts and easy to clean
  - Healthcare (10% of business), disposable shave heads, no cuts, and low cost
- ▶ **Strategy** – expand market share through expanded product offerings to females and increased web business. Slowly exiting healthcare segment to focus on two key customer groups
- ▶ **Market** – mature market, currently number three producer with 22% of the market

# Customer Focused Results

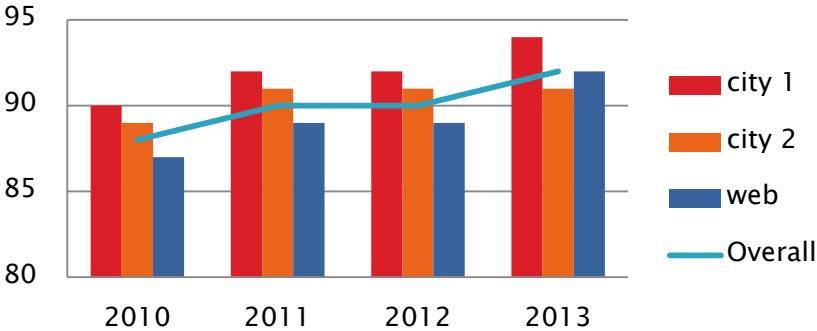
7.2-1, Overall Satisfaction



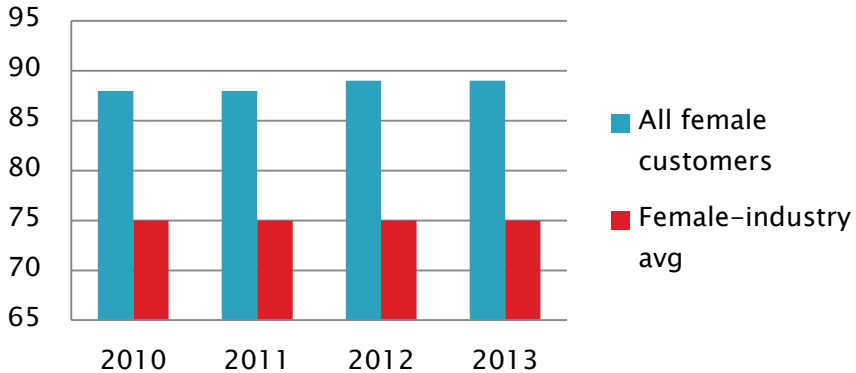
7.2-3, Men – comfortable grip



7.2-2, Men – No cuts while shaving



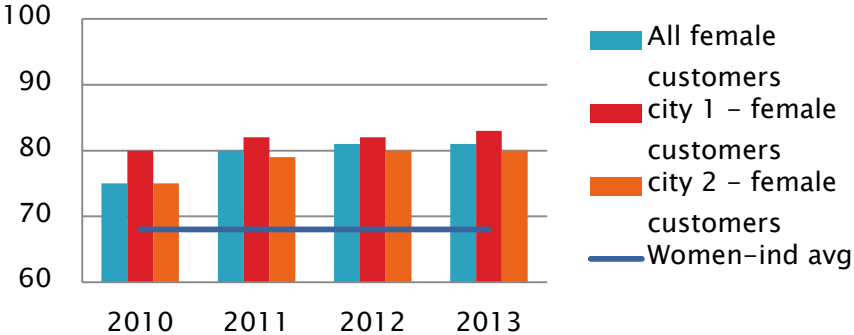
7.2-4, Women – No cuts while shaving



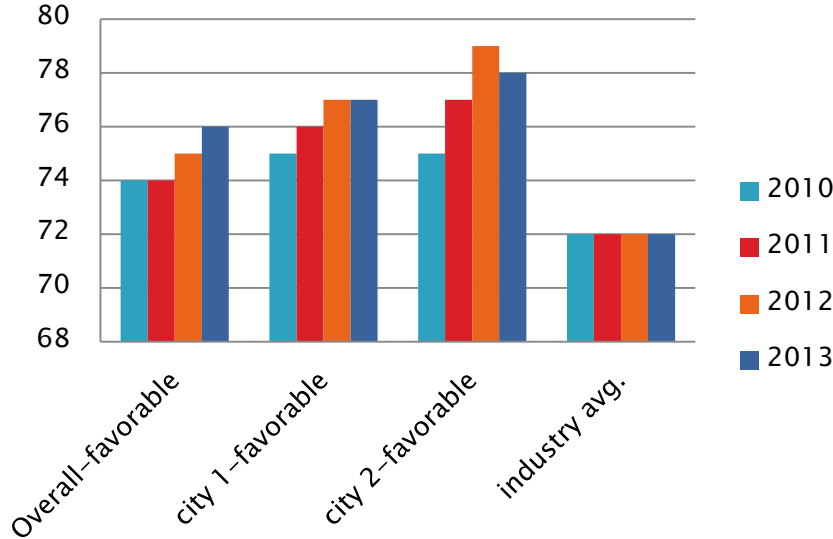


# Customer Focused Results

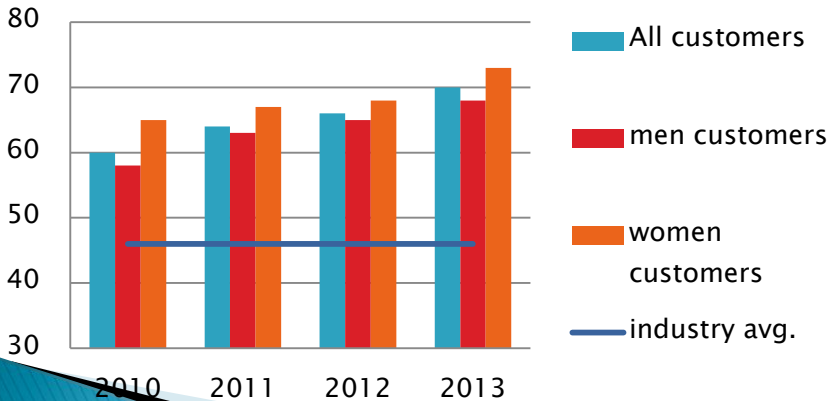
7.2-5, Women – Shaver is easy to clean



7.2-7, Percent who would recommend to a friend



7.2-6, Percent who used the toll-free number



# Exercise A – Instructions

- ▶ What do you expect to see?
- ▶ What is provided?
- ▶ Assess maturity levels in terms of evaluation factors Le, T, C, and I
- ▶ Determine score range – “best fit”
- ▶ Review higher and lower score range to estimate maturity level within the “best fit” range (selected range)

# Exercise A – Applicant specifics

- ▶ Criteria are looking for – customer satisfaction, dissatisfaction, engagement (including relationships) and how results compare over the course of the customer life cycle
- ▶ **Key Factors to consider:**
- ▶ Produces and Sells Security Software (No physical stores – products and services offered through company website and sales staff)
- ▶ Customer groups and requirements

Federal Government (50% of business) strength of protection, cost of license

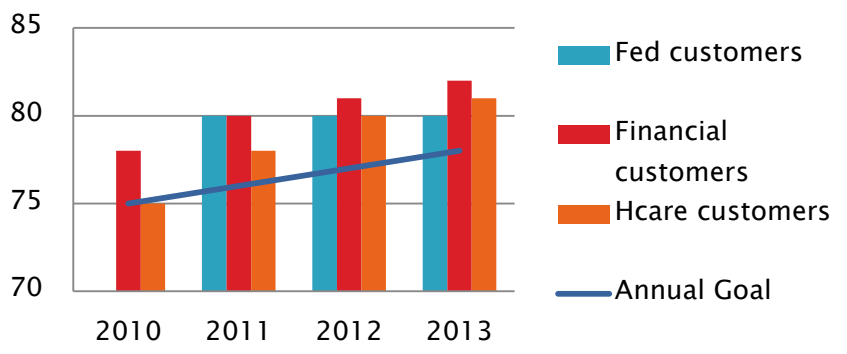
Financial institutions (40% of business) require strength of protection, alert system to notify of possible risk/future enhancements, and frequent upgrades

Healthcare (10% of business), requirements same as federal government

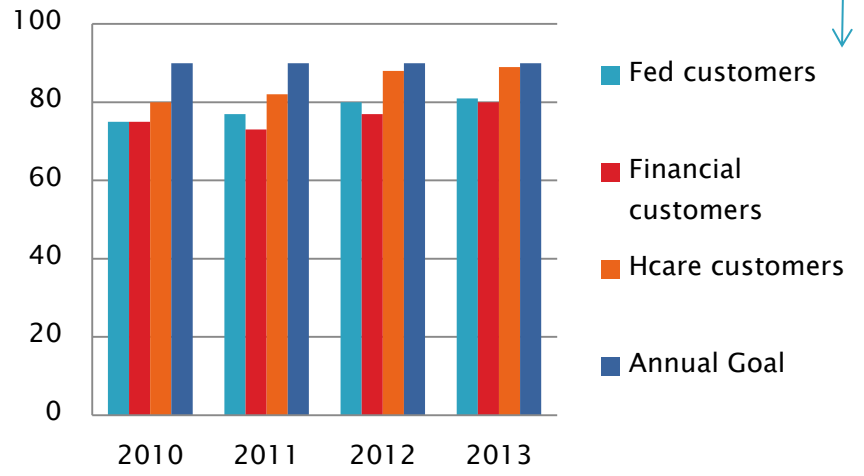
- ▶ **Comparisons** – Statement in Organizational Profile and in Category 4 response, unique product and industry, no competitors or comparisons
- ▶ **Strategy** – reduce financial segment and focus on Federal and Healthcare
- ▶ **Market** – growth market, currently number three producer with 22% market share.

# Customer Focused Results

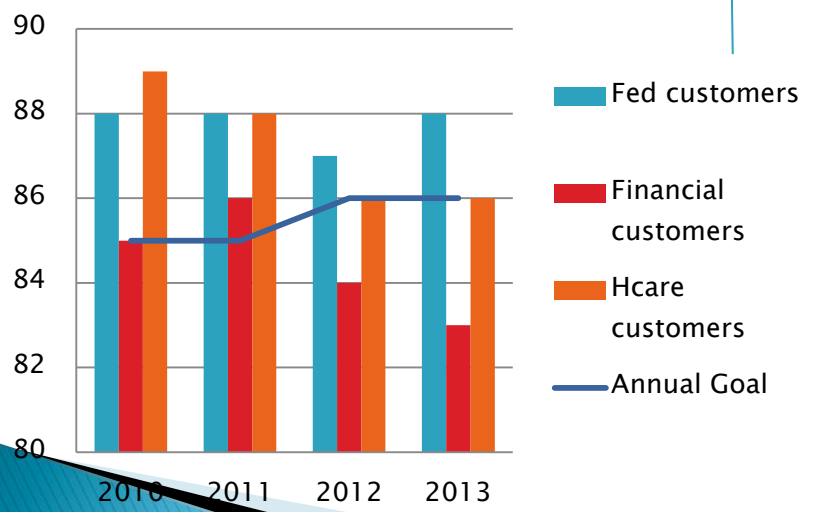
## 7.2-1, Overall Satisfaction



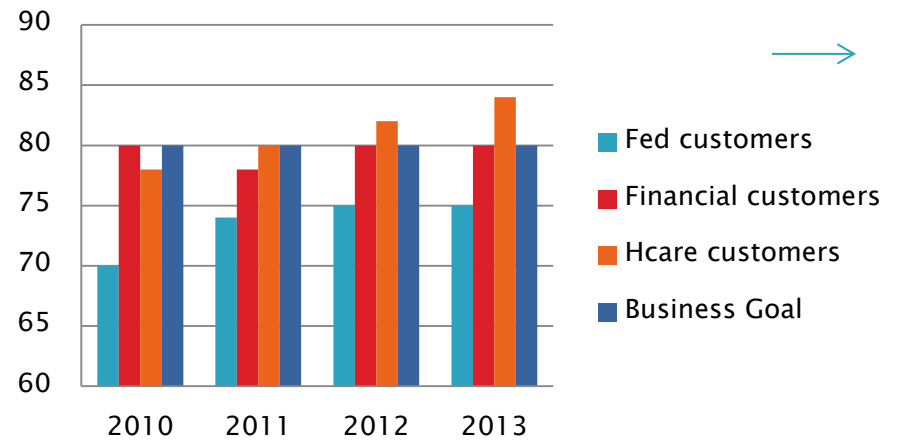
## 7.2-3, License Cost



## 7.2-2. Strength of Protection

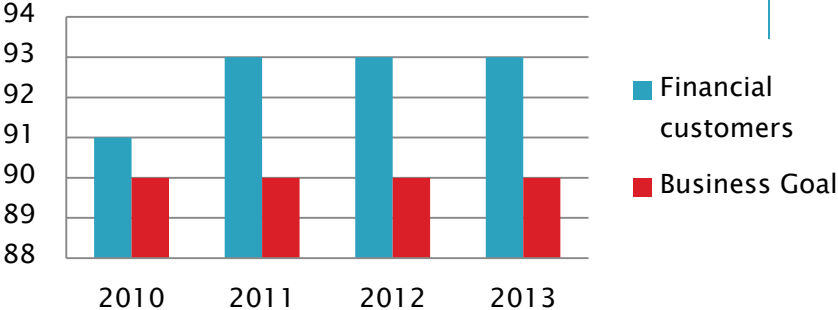


## 7.2-4, Loyalty Measure (2+ years)

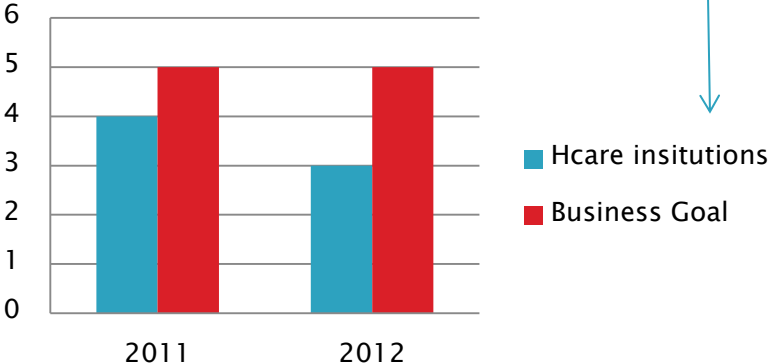


# Customer Focused Results

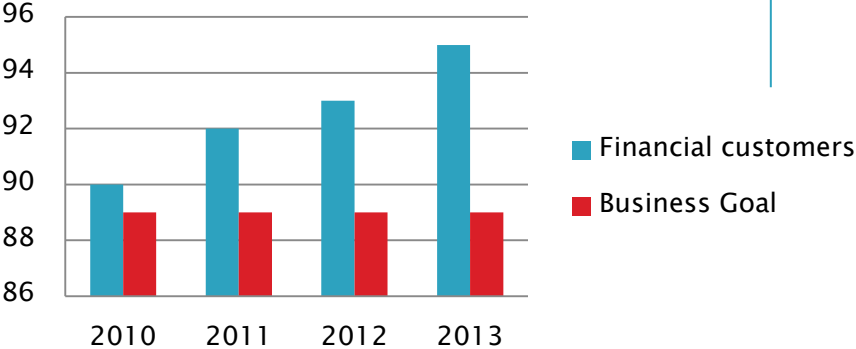
7.2-5, Frequent Software Upgrades



7.2-7, Number of Complaints per Year



7.2-6, Satisfied with Alerts



# Exercise B – Instructions

- ▶ What do you expect to see?
- ▶ What is provided?
- ▶ Assess maturity levels in terms of evaluation factors Le, T, C, and I
- ▶ Determine score range – best fit
- ▶ Review higher and lower score range to estimate maturity level within the “best fit” range (selected range)

# Exercise B – Applicant specifics

- ▶ Criteria are looking for – customer satisfaction, dissatisfaction, engagement (including relationships) and how results compare over the course of the customer life cycle
- ▶ **Key Factors to consider:**
- ▶ Large restaurant in medium size city (97% of customers live within 12 miles of facility).
- ▶ Customer groups and requirements

Federal Government (30% of business) mid-day customer requires high quantity and low cost

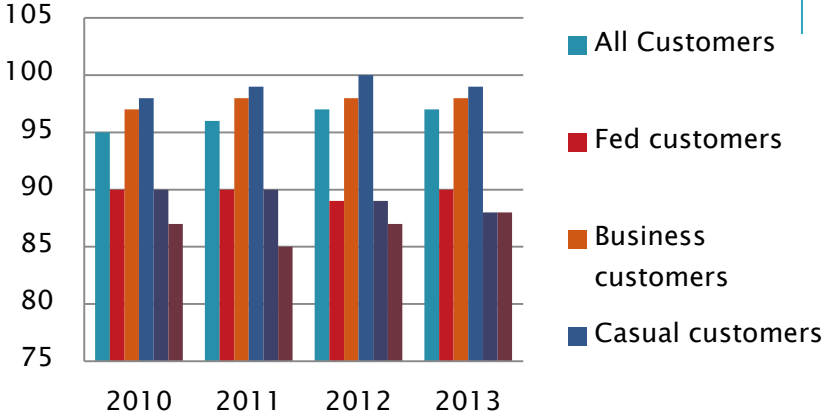
Local business employees (40% of business) mi-day and evening customer requires quality taste at reasonable cost

Family/casual dining (30% of business), evening customer requires nice atmosphere, quality taste, and reasonable cost.

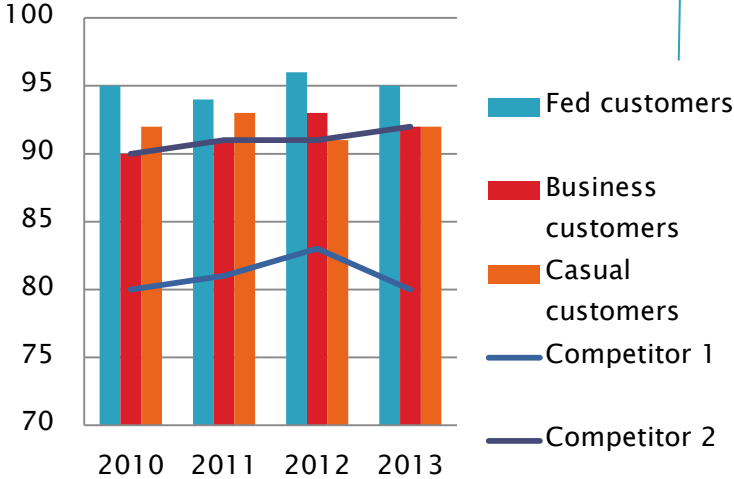
- ▶ **Vision** – to become the local restaurant of choice
- ▶ **Strategy** – focus on quality food and atmosphere (remodel facility), two primary competitors (comp 1 and comp 2).
- ▶ **Market** – federal government is reducing local footprint. Expecting growth in casual dining resulting from increased tourist activity.

# Customer Focused Results

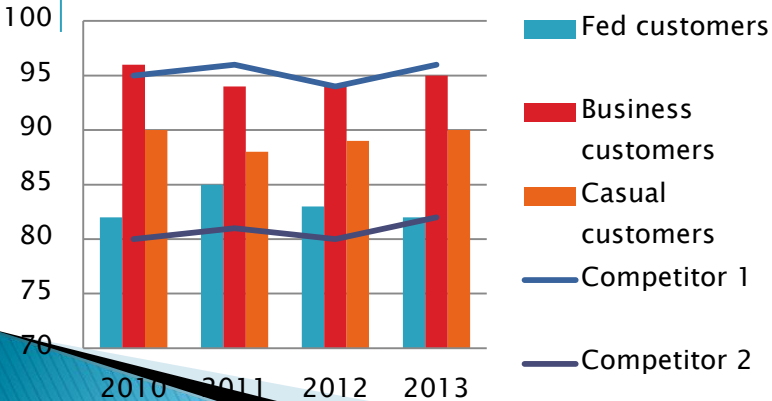
7.2-1, Overall Satisfaction



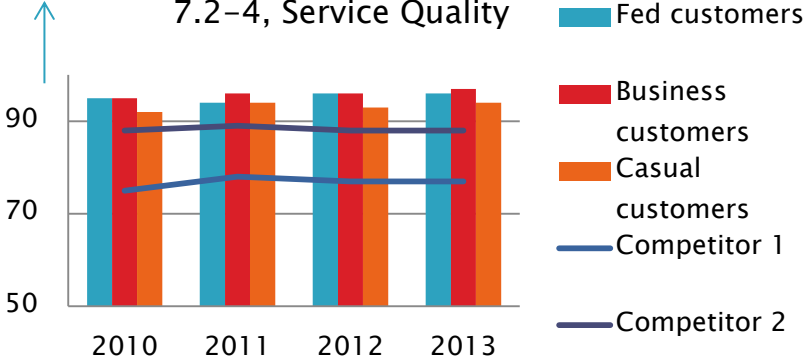
7.2-3, Taste/Quality



7.2-2, Value/Quantity and Cost



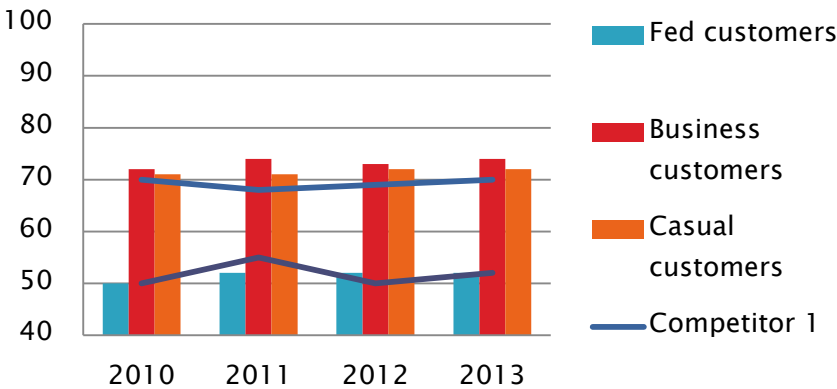
7.2-4, Service Quality



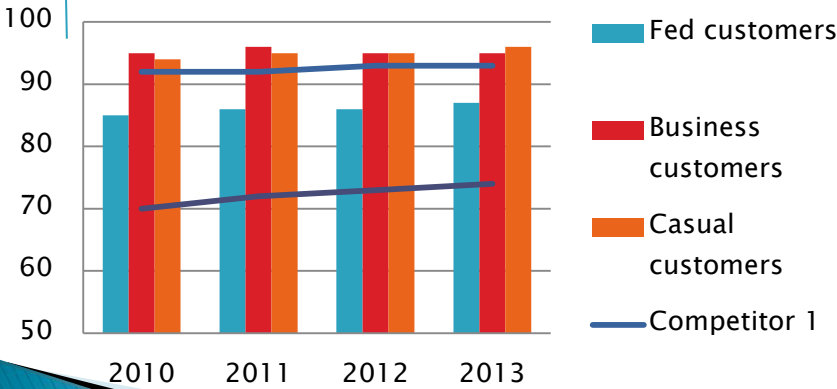


# Customer Focused Results

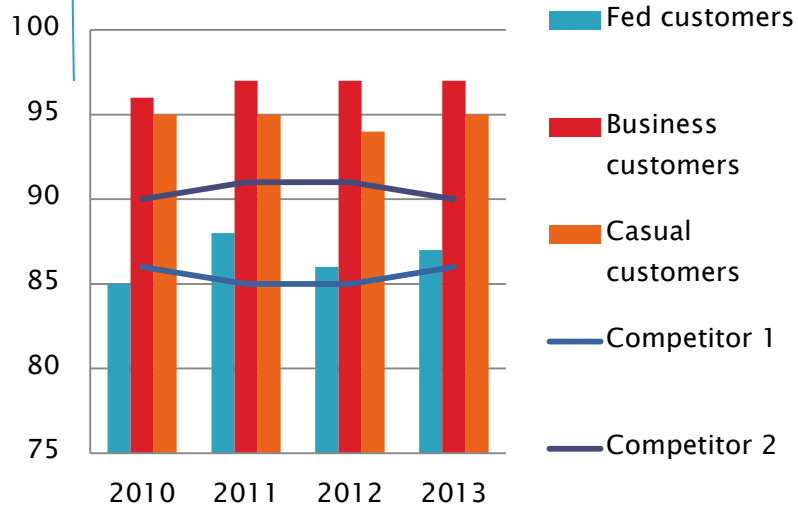
7.2-5, Would you come again? (Top Box) ↑



7.2-6, Restaurant atmosphere ↑



7.2-7, Would Recommend ↑



# Questions...

Thank you