

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

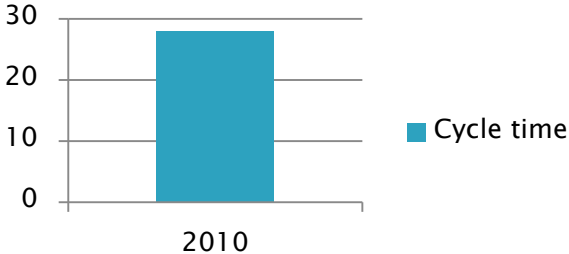
Key characteristics of a Result Measure

- ▶ 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

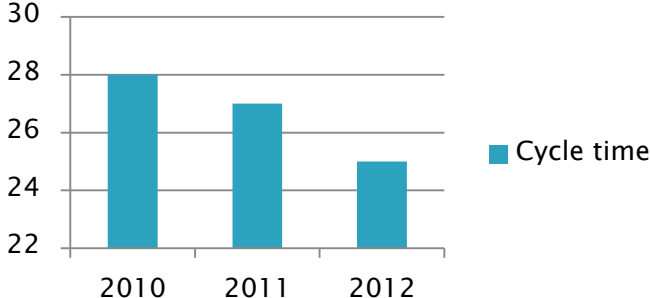
- ▶ To answer these questions – how might a result be displayed?

Evaluate the following results based on the characteristics just discussed

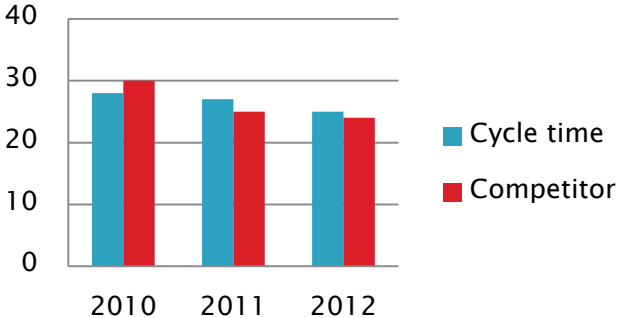
1. Cycle time - Days



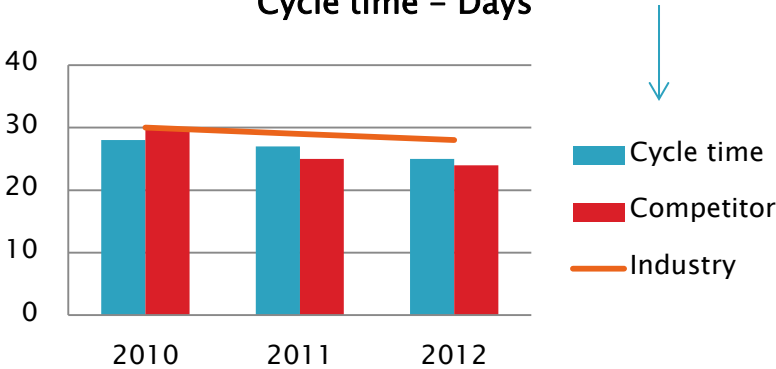
2. Cycle time - Days



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

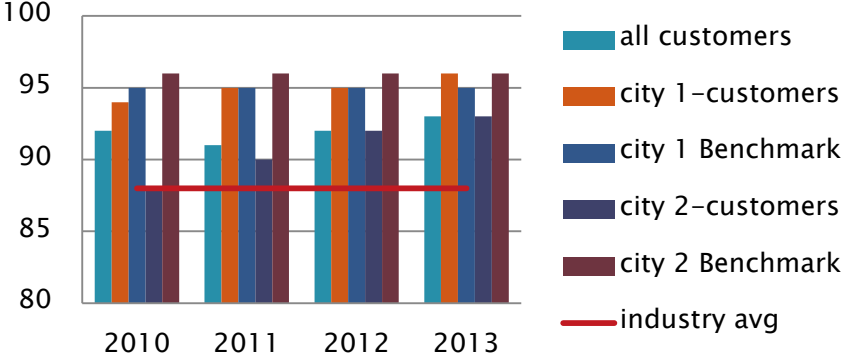
- ▶ What do you expect to see?
- ▶ What is provided?
- ▶ Assess maturity levels in terms of evaluation factors Le, T, C, and I
- ▶ Determine score range – “best fit”
- ▶ Review higher and lower score range to estimate maturity level within the “best fit” range (selected range)

Practice – Applicant specifics

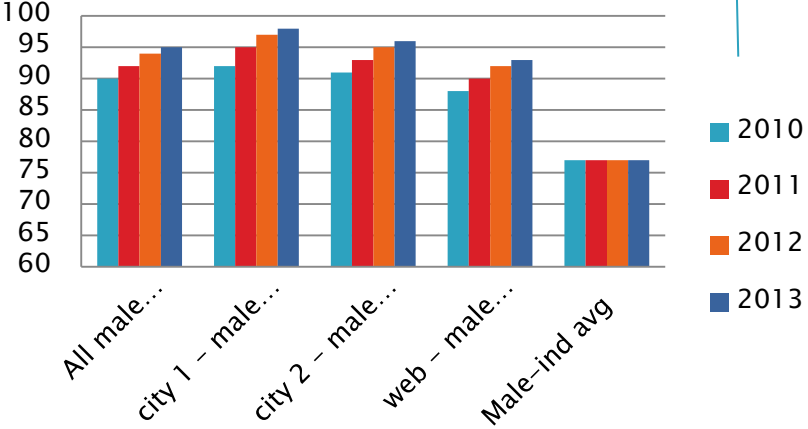
- ▶ Criteria are looking for – customer satisfaction, dissatisfaction, engagement (including relationships) and how results compare over the course of the customer life cycle
- ▶ **Key Factors to consider:**
- ▶ Produces and sells shaving products (products are made available to customers through stores 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

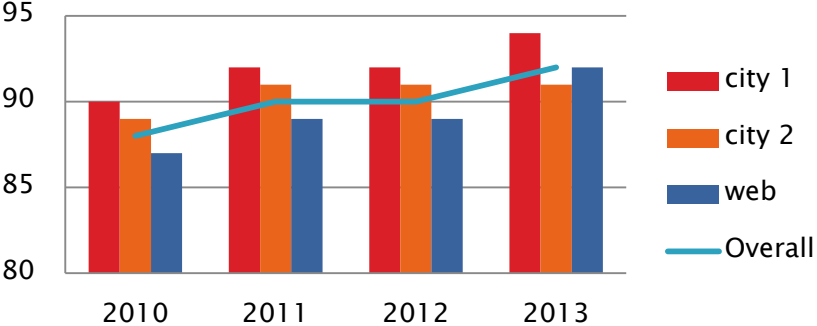
7.2-1, Overall Satisfaction



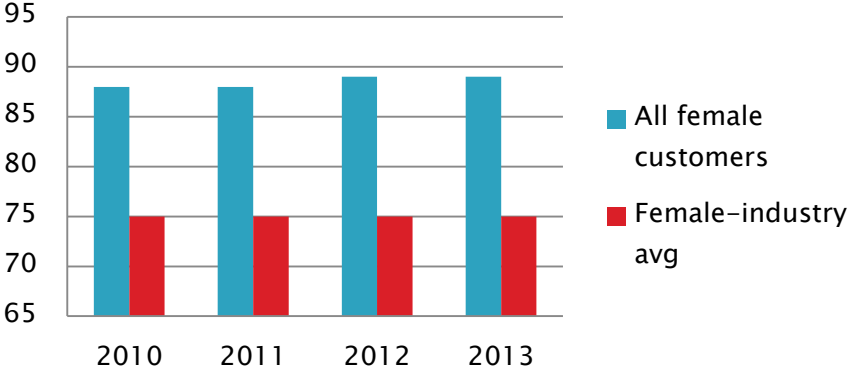
7.2-3, Men – comfortable grip



7.2-2, Men – No cuts while shaving

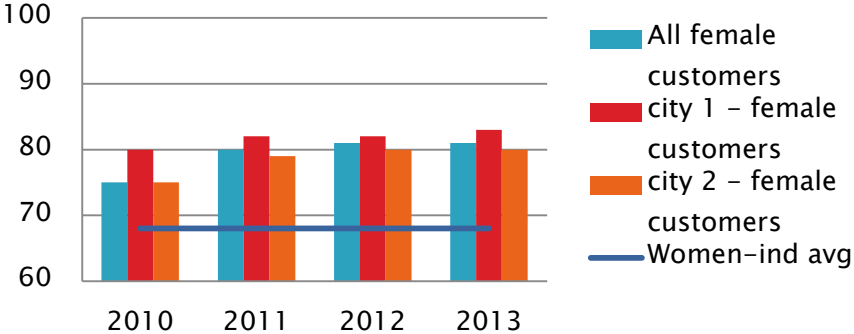


7.2-4, Women – No cuts while shaving

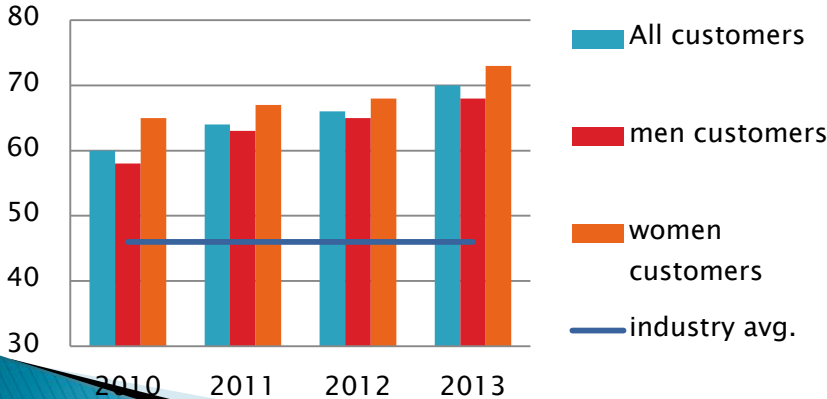


Customer Focused Results

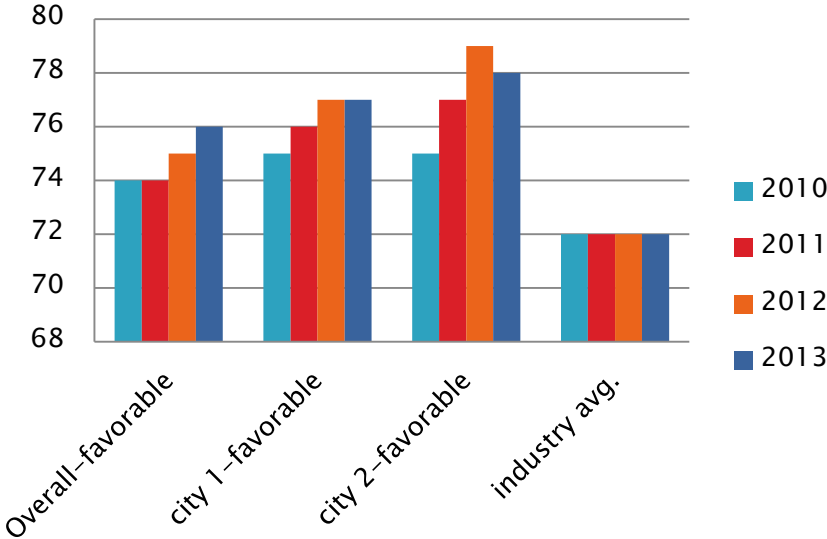
7.2-5, Women – Shaver is easy to clean



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



7.2-7, Percent who would recommend to a friend



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

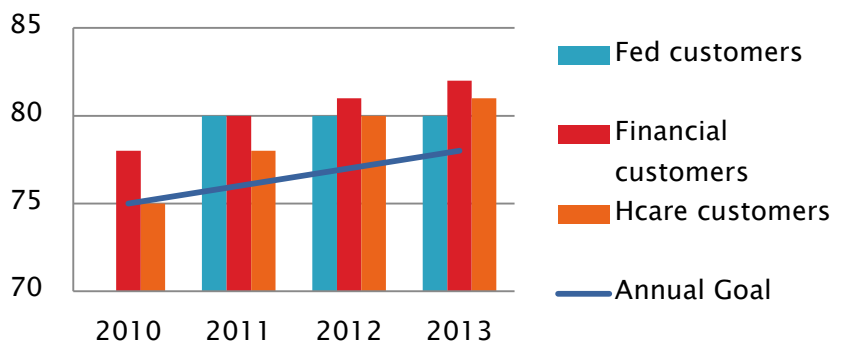
Financial institutions (40% of business) require strength of protection, alert system to notify of possible risk/future enhancements, and frequent upgrades

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

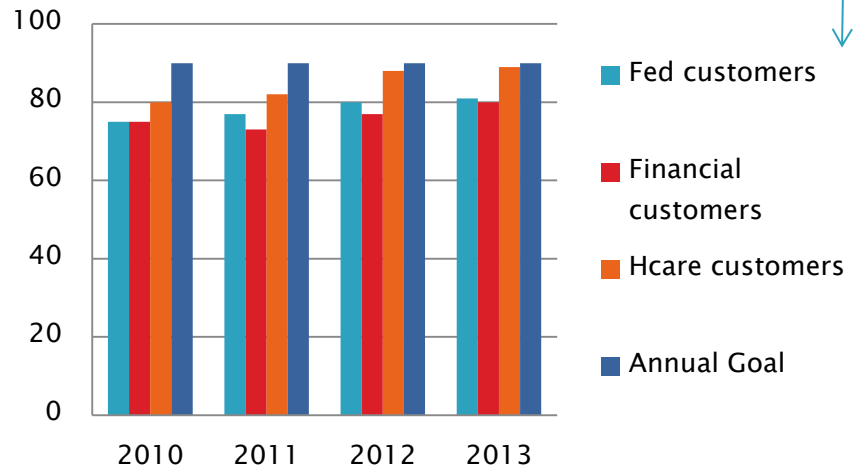
- ▶ **Comparisons** – Statement in Organizational Profile and in Category 4 response, unique product and industry, no competitors or comparisons
- ▶ **Strategy** – reduce financial segment and focus on Federal and Healthcare
- ▶ **Market** – growth market, currently number three producer with 22% market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

Customer Focused Results

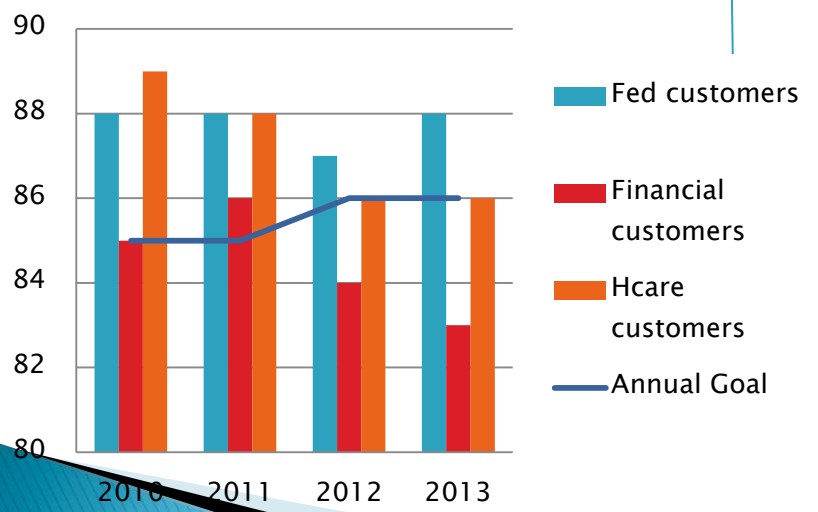
7.2-1, Overall Satisfaction



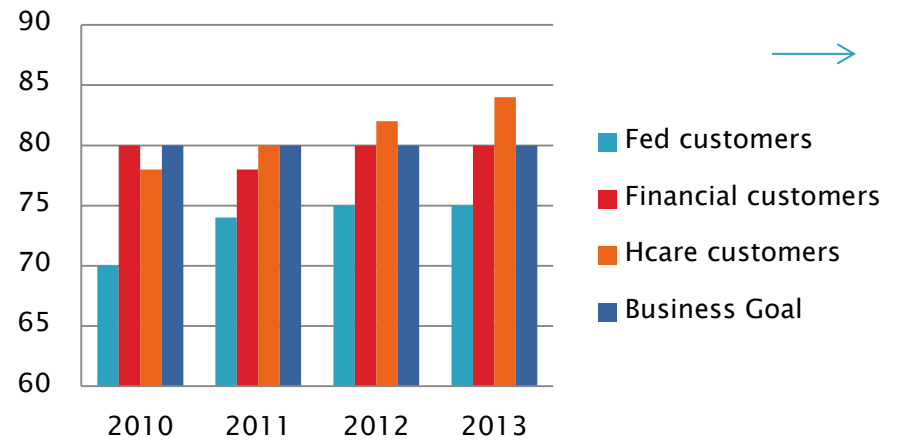
7.2-3, License Cost



7.2-2. Strength of Protection

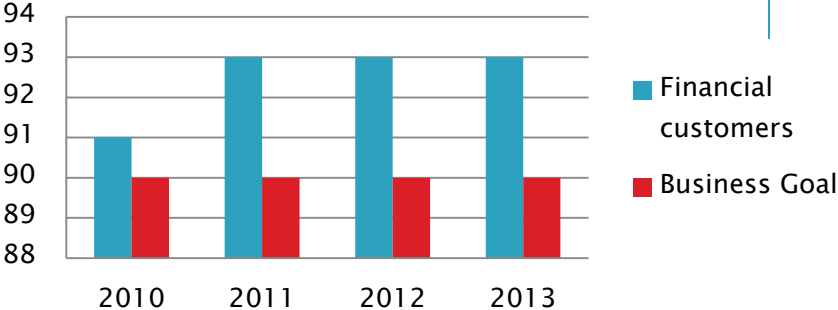


7.2-4, Loyalty Measure (2+ years)

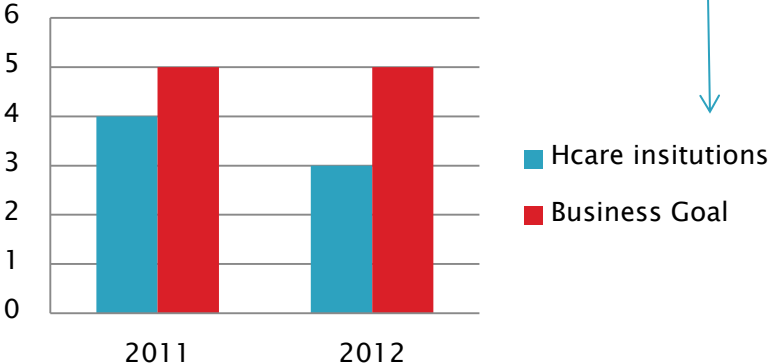


Customer Focused Results

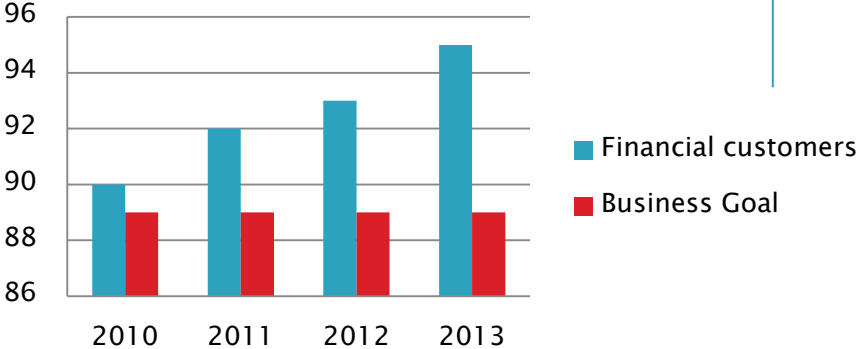
7.2-5, Frequent Software Upgrades



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

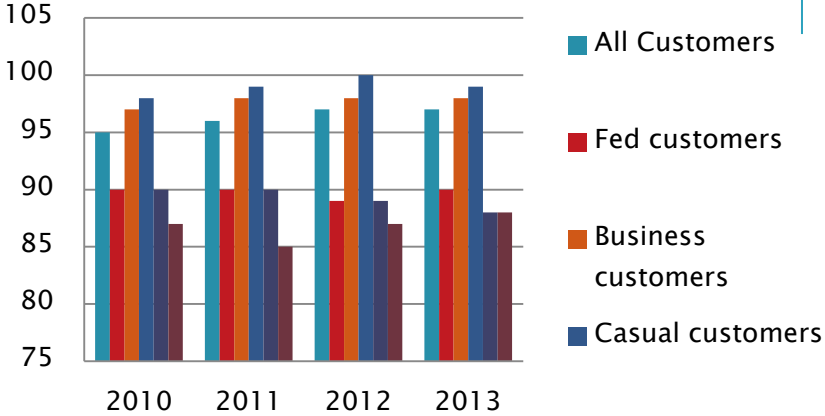
Local business employees (40% of business) mi-day and evening customer requires quality taste at reasonable cost

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

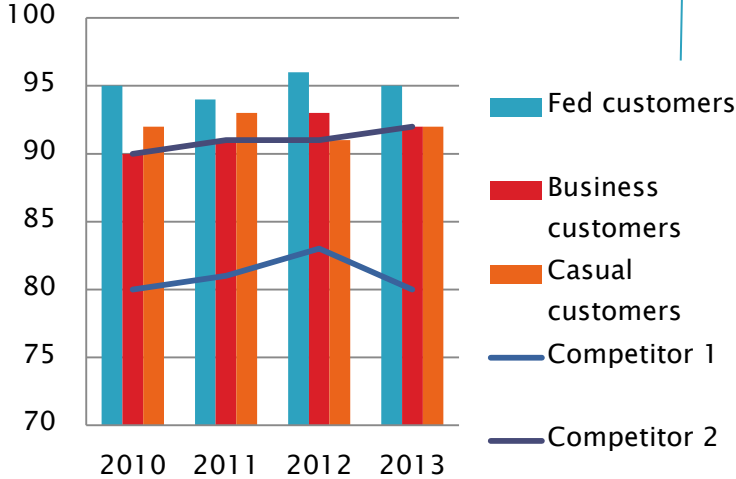
- ▶ **Vision** – to become the local restaurant of choice
- ▶ **Strategy** – focus on quality food and atmosphere (remodel facility), two primary competitors (comp 1 and comp 2).
- ▶ **Market** – federal government is reducing local footprint. Expecting growth in casual dining resulting from increased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

Customer Focused Results

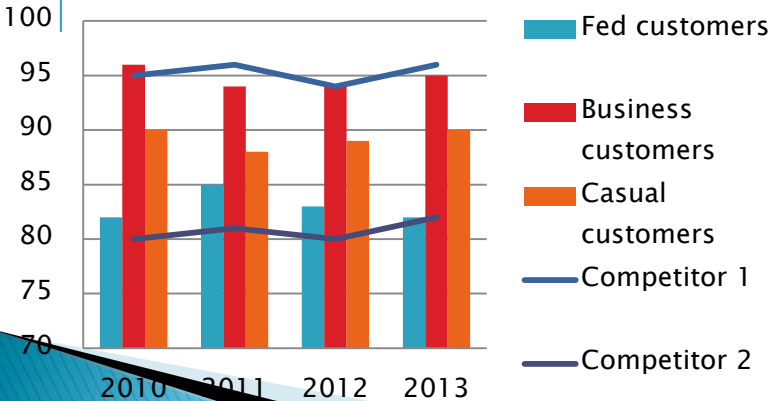
7.2-1, Overall Satisfaction



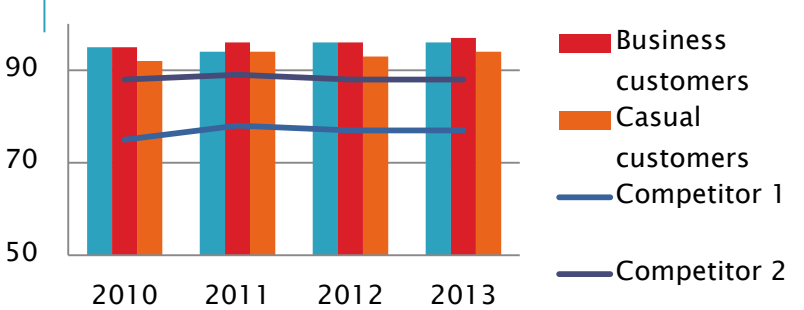
7.2-3, Taste/Quality



7.2-2, Value/Quantity and Cost

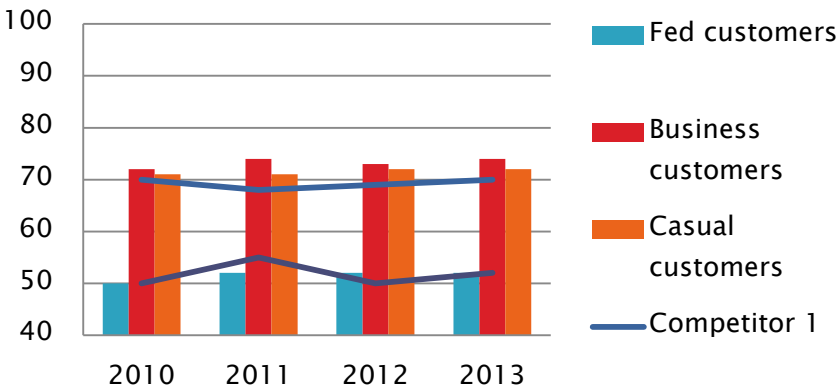


7.2-4, Service Quality

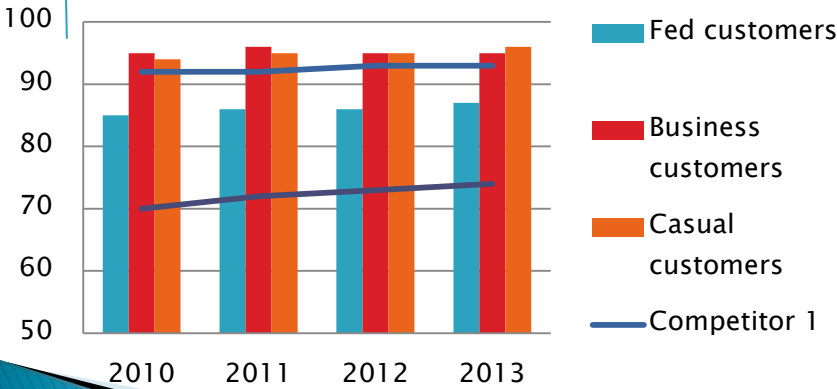


Customer Focused Results

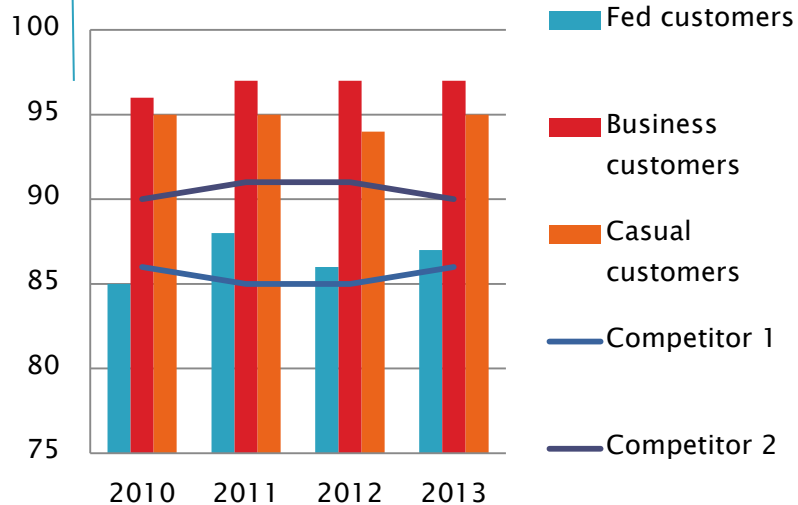
7.2-5, Would you come again? (Top Box) ↑



7.2-6, Restaurant atmosphere ↑



7.2-7, Would Recommend ↑



Questions...

Thank you