

PERFORMANCE COUNTS

Summer 2012



The Newsletter of the Virginia U.S. Senate Productivity and Quality Award Program

Who's in the VA SPQA Community?

- Award applicants and past recipients
- Current, potential and past Examiners
- Sponsors big and small
- Others who wish to make a difference

Who to contact with questions about the VA SPQA Community?

- *Bob Bowles, Executive Director* 571.215.8881
director@spqa-va.org
- *Jo Lin Rohr, Board Chair*
chair@spqa-va.org
- *Mike Novak, Newsletter Editor*
editor@spqa-va.org

Contents

SPQA Cycle Almost Complete	1
SPQA Award Recipients	1
2012 Forum for Excellence	2
SPQA Schedule	3
Book Review	3
The Performance Corner	4

SPQA Cycle Is Almost Complete!

Site Visits Completed. Face-to-Face Feedback Meetings Being Held.

The 2012 U.S. Senate Productivity and Quality Award for Virginia program is nearly complete. Applications for the Recognition program were received; seven Site Visits were conducted; Final Feedback Reports have been sent to all Applicants. Now, Examiner teams are meeting with their respective Applicants in Face-to-Face Feedback Meetings.

Why does SPQA conduct Face-to-Face Feedback Meetings? And what happens at these Meetings?

The Face-to-Face Feedback Meeting, like just about all SPQA activities, has as its primary purpose helping the Applicant improve its performance. The Feedback Meeting does this by encouraging the Applicant's senior leaders to review the Feedback Report and to ask questions to clarify any comments contained in

the Report. The discussion enables the Applicant's leaders to further understand how they can improve their organization's operations.

Another important feature of the Face-to-Face Feedback Meeting is that it provides the Applicant with a better understanding of the Criteria for Performance Excellence, the Scoring Factors, and the overall SPQA process.

Discussing the Criteria clears up any questions or misunderstandings the Applicant may have, and helps prepare the Applicant both for improving its performance and for developing future applications.

Discussing the Scoring Factors helps the Applicant understand the interrelationships among how the Applicant meets the requirements of the Criteria, the extent to which its Approaches are deployed in the

organization, continuous cycles of process improvement, and integration of Approaches with matters of importance to the Applicant. The same is true of understanding the interrelationships among the "Results" Scoring Factors: how well the Applicant is performing, how well the Applicant is performing over time, how well the Applicant is performing in comparison with other organizations or standards, and how well the Applicant's results are aligned with Mission, Vision, Strategies, and other key business factors.

Finally, understanding the overall SPQA award cycle and activities helps the Applicant understand what was involved in the review and evaluation of its Application, and this helps the Applicant better prepared for participating in a future award cycle. ●

SPQA Announces 2012 Award Recipients

One Medallion, Two Plaques, and Four Certificates

On June 4, the Virginia SPQA announced its 2012 award recipients.

Mountain States Health Alliance has been selected to receive the **Medallion of Performance Excellence**, SPQA's highest award.

Mountain States Health Alliance (MSHA) is a locally owned and managed healthcare system based in Johnson City, Tennessee. MSHA members include both acute and long-term care facilities from Southwest Virginia, Western North Carolina, and Northeast Tennessee.

Receiving the SPQA Medallion is recognition of being among the best

performing organizations in the Commonwealth and the District of Columbia. In addition to improving organizational pride, SPQA Medallion winners have an additional tool to help manage relationships with customers, stakeholders, and more practically, rating agencies and other independent entities in search of performance validation factors.

The **Plaque for Progress in Performance Excellence** is awarded to **Mary Washington Healthcare** and **Bon Secours St. Mary's Hospital**.

The **Certificate for Commitment to Performance Excellence** is awarded to **Community Memorial Healthcenter, Global Linguist Solutions, LLC, Hunter Holmes McGuire VA Medical Center, and National Reconnaissance Center – Media Services Center**.

The formal presentation of awards will take place at the Virginia Forum for Excellence Awards Ceremony on September 11 at the Holiday Inn Koger Conference Center in Richmond. Please join us and celebrate the Award recipients in September. ●

"VA SPQA evaluation and recognition is available to the **business service, manufacturing, health care, government/non-profit and educational sectors.**"

2012 Virginia Forum for Excellence Keynoters, Workshops Announced



The 2012 Virginia Forum for Excellence is almost here! September 10 and 11 will be here before you know it, so sign up now at www.spqa-va.org.

The 2012 Forum will have the same basic format as in previous years.

September 10 will see Pre-Conference Workshops. These sessions will cover various aspects of the Baldrige Criteria for Excellence and the activities and programs offered by the U.S. Senate Productivity and Quality Award for Virginia (SPQA).

The evening of September 10 will include an Examiner Community Gathering and a reception for the SPQA Community. A representative from the Baldrige Performance Excellence Program will be guest speaker.

On September 11, sessions will cover the full spectrum of topics linking the Criteria for Performance Excellence and the theme of the Forum: Achieving Results through Innovation.

Fred Salanitro and Dan Stonecypher, of Norfolk Naval Shipyard, will speak on "Building a Culture of Innovation Using Lean Six Sigma and Lean Organization Disciplines." Joseph Barto, III and Thomas Barto, of TMC, Inc., will deliver a

presentation, "Recapitalizing the Workforce for Innovation: 1 Vet at a time." Jane Keathley, of Medical Automation Systems, will address, "Performance Outcomes Designed for Innovation." Louise Wyatt, County of Albemarle, and Melissa Anderson, Albemarle County Public Schools, will discuss, "The Strategic Crosswalk: Identifying Shared Interests with Your Strategic Partners."

Jeff Parks, Performance Breakthroughs, Inc., and Veronica Adams, Riding the Wave Training & Development will present on, "If you REALLY want to innovate, create the structure and culture that allow it." Bill Donohue, of GENEDGE ALLIANCE, will discuss, "How to Increase Innovation Speed and Reduce Risk." Katisha Harrison and Victoria Richardson, Bon Secours St. Mary's Hospital, will speak on, "Data: It's Not Just Numbers." Dr. Dona Witten, DJW Consultancy, LLC, will address, "Baldrige and Organizational Development: The Head and Heart of Organizational Excellence."

Leah Fremouw, The Performance Management Group at VCU and Eddie Wirt, VA Dept. of Alcohol Beverage Control, will speak on "Innovative Solutions for Creating a Sustainable Organization." Glenn Marshall, of Newport News Shipbuilding, will discuss, "Benchmarking Your Way to Performance Excellence." Demetrius Wilson and Martin Lippitsch, Transformation Systems, will address, "Overcoming the Pain to Reap the Gain: Strategies for Motivating Employees During Innovation Implementation." Michael Novak, Maryland Performance Excellence Awards, will discuss, "Learning from Leonardo (Da Vinci, not DiCaprio)."

Interspersed among the workshops will be keynote addresses. The **Opening Keynote** will be delivered by Teresa H. Carlson, VP Global Public Sector, Amazon Web Services. The **Luncheon Keynote** will be delivered by Julia Swanson, Director, Performance Analytics and Improvement, Henry Ford Health

System (2012 Baldrige recipient).



Teresa H. Carlson has over 20 years experience as a business executive driving innovation and change and producing successful business results. A highly respected leader in the information technology field, Teresa's customer focus has delivered exceptional value to her clients while consistently exceeding her organization's business goals.



Julia Swanson is a visionary leader who helps organizations continually improve excellence by partnering with fellow executives to build sustainable and high performing leadership processes. With 17 years of experience in improving integrated health care operations, Julia uses her expertise in strategy deployment, disciplined execution and operational inter-dependencies to bridge silos and levels in organizations to increase efficiency and effectiveness.

The highlight of the afternoon of September 11 will be the award ceremony, where our 2012 SPQA Award Recipients will be recognized.

Our Discovery participants and "12 to Watch" participants will also be recognized.

Please plan on joining us on September 10 and 11 in Richmond at the Holiday Inn Koger Conference Center. ●

SPQA Schedule of Events

Plan ahead – the SPQA 2013 Award Cycle is just around the corner!

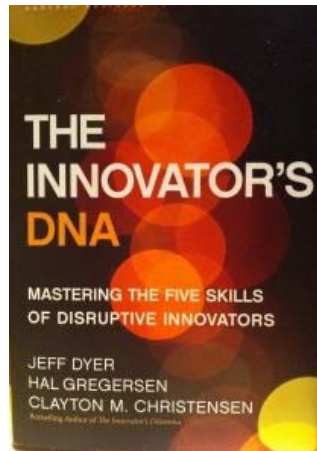
- September 2012 – VA Forum for Excellence
- Fall 2012 – Applicant Solicitation
- Fall 2012 – Examiner Recruitment
- November 1, 2012 – Intent to Apply Form due with Fee
- November 2012 – Criteria Workshop (Northern Virginia)
- December 3, 2012 – Written Application Due with Application Fee
- December 2012 – Criteria Workshop (Hampton Roads Area)
- January 2013 – Criteria Workshop (Richmond Area)
- January/February 2013 – Examiner Training
- January - February 2013 – Independent Review
- February - March 2013 – Consensus Meetings
- April 2013 – Site Visits
- June 2013 – Notification of Award Recipients
- June 2013 – Delivery of Final Feedback Reports
- June 2013 – Face-to-Face Feedback Meetings with Applicants
- June 2013 – Criteria Workshop (Roanoke Area)
- September 2013 – VA Forum for Excellence ●



Book Review

From Idea to Impact (Leveraging Behaviors of The World's Best Innovators)

The Innovator's DNA: Mastering The Five Skills of Disruptive Innovators. By Jeff Dyer, Hal Gregersen, and Clayton M. Christensen. Boston: Harvard Business Review Press, 2011, 296 pages.



Are you the next Steve Jobs? So begins the publisher's description of *The Innovator's DNA*. The description goes on to say that you *can* be an effective innovator if you change your behavior and become proficient at the five skills – referred to as “Discovery Skills” – described by authors Ayer, Gregersen, and Christensen.

So, just for the sake of argument, let's say that you do want to be the next Steve Jobs. What then? What are these five Discovery Skills? And how do you develop them? Let's explore them ... and some tips for developing them

But first, a few words of caution:

- Engaging in the Discovery Skills does not guarantee financial (or any other) success.
- Failure (e.g., in a financial sense) often results from not being vigilant in engaging all of the Discovery Skills.
- The Discovery Skills are key ideas/principles. They are not “silver bullet” prescriptions for successful innovation.

Discovery Skill #1: Associating. Steve Jobs is rumored to have said that creativity is connecting things [and people]. This leads to what is known as “The Medici Effect” – huge surges in innovation brought about by

collecting innovative, creative people in one location. This happened in Florence during the Renaissance and, more recently, in Silicon Valley. Some tips for developing Associating skills include:

- Forcing new associations between people, processes, products (a phone that takes photographs), and services
- Role playing – taking on the persona of a different organization or entity
- Generate metaphors that describe your organization in terms of something else (a bicycle shop that brands itself as a transportation provider)
- Build a “curiosity box” – a collection of weird stuff that could catalyze creative thinking

Discovery Skill #2: Questioning. Instead of searching immediately for solutions, ask questions about problems: (1) “What is?” (2) “What caused?” (3) “Why?” and “Why not?” (4) “What if?” Some tips for developing Questioning skills include:

- Engage in QuestionStorming – similar to Brainstorming, except that you develop as many questions as possible about the problem/issue before developing solutions
- Cultivate question thinking – always ask questions
- Track your Q/A ratio – how many questions do you come up with, versus how many answers you come up with
- Keep a question-centered notebook

Discovery Skill #3: Observing. Famous American philosopher Yogi Berra once said, “You can see a lot just by observing.” Look at your “job” – find different (better) ways to do it. Watch your customers – how do they use your product? How can you make it easier/cheaper/better for them? Look for surprises – expect the unexpected. Some tips for developing Observation skills include:

- Observe stakeholders – how

do they “interact” with your product?

- Observe other organizations – treat them as business school case studies; look for best practices and lessons learned
- Observe whatever strikes your fancy – take notes; think about how your observations can add value
- Observe with all of your senses

Discovery Skill #4: Networking. This is “Idea Networking,” not “Social Networking.” The objective is to collect ideas. Look for outside experts, but don't neglect internal experts. Attend idea networking events and form your own idea network. Some tips for developing Networking skills include:

- Expand the diversity of your network – people of different backgrounds have different perspectives
- Attend at least two conferences or learning events every year – one of which is not related to your area of expertise
- Start your own creative community of practice
- Invite an outsider to your group

Discovery Skill #5: Experimenting. Another rumored quote, this one from Thomas Edison: “I haven't failed ... I've just found 10,000 ways that do not work.” The authors describe three ways to experiment: (1) try out new experiences; (2) take apart products, processes, and ideas; and (3) test new ideas through pilots and prototypes. Some tips for developing Experimenting skills include:

- Cross borders – geographical and functional
- Cross intellectual borders – learn about something new
- Develop a new skill
- Take something apart – e.g., a process – and put it together in a different way
- Improve something – anything!

Do you want to learn more about the subject of Innovation? Attend the Forum for Excellence on September 10 and 11. ●



The Performance Corner

Featuring articles from members of the VA SPQA Community that promote performance excellence.

This article is submitted by Mike Novak, editor of "Performance Counts."

"Performance Counts" is looking for submissions for the Fall 2012 edition. To be considered, submit your article no later than September 11, 2012 to: editor@spqa-va.org. Please limit submissions to 625 words.

The Next "Flavor of the Month?" Or is Innovation The Next "Killer App?"

The theme of this year's Virginia Forum for Excellence is "Achieving Results through Innovation." Even before the theme was announced, it seems the word "innovation" has been in vogue. Everywhere I look – magazines, trade journals, Amazon.com – there it is: Innovation. Just like, a few years ago, everywhere I looked, I saw Total Quality Management, Business Process Reengineering, Lean Six Sigma, and others.

So, is "Innovation" just the latest in a long line of fads that, in Shakespeare's words, "struts and frets its hour upon the stage, and then is seen no more?"

Or has Innovation been lurking in the background – waiting to be discovered as a new "silver bullet?"

Neither. Innovation is not a fad – unless, of course, you wish to treat it as such. Nor is it a cure-all for every organizational issue.

Innovation is an important part of a multi-faceted organizational performance assessment and improvement system. Innovation (or, in Juran's words, "Breakthrough Improvement") has for many years been a part of the "Quality" lexicon and a part of the "Quality" approach.

What, exactly, is "Innovation?" And where does it fit into the Performance Excellence system?

One definition of Innovation is: "a large-scale change in a process, product, or service that results in a significant gain in value for the customer."

Let's break this down. First, Innovation is a large-scale change – that is, it is not a small, incremental change that results from simple "tweaking" of a process, product, or service.

Second, Innovation can occur in a process – a new way of doing what we are doing. It can also occur in a product or service – a product with new features, or a

service that is fundamentally different.

Finally, Innovation is customer-focused – it provides a significant (quantum) gain in value for the customer. In other words, the customer is the beneficiary of Innovation – through its gain in productivity, quality, profitability, competitive position, or other measures of success.

From the description of Innovation above, Innovation fits into an organization's performance excellence system in a number of areas:

- Innovation first appears in Category 1 (Leadership). Specifically, 1.1a.(3), "Creating a Sustainable Organization," addresses Innovation implicitly throughout, and explicitly in the second bullet, "How do senior leaders ... create an environment for ... Innovation ...?"

- In Category 2 (Strategic Planning), 2.1b.(2) asks, "How do your strategic objectives ... address your opportunities for Innovations in products, operations, and your business model?"

- Since we are discussing Innovation in the context of providing gains in value for the customer, we should expect the subject of Innovation to appear in Category 3 (Customer Focus). And it does. In particular, 3.2a.(1) asks, "How do you identify and innovate product offerings to enter new markets, to attract new customers, and to provide opportunities for expanding relationships with existing customers, as appropriate?"

- Innovation appears explicitly in Category 4 (Measurement, Analysis, and Knowledge Management) in three places: 4.1a.(1) asks, "How do you use [performance measurement] data and information to support organizational decision making and Innovation?" 4.1a.(2) asks,

"How do you select and ensure the effective use of key comparative data and information to support operational and strategic decision making and Innovation?" 4.1a.(3) asks, "How do you select and ensure the effective use of voice-of-the-customer data and information to support operational and strategic decision making and Innovation?"

- In Category 5 (Workforce Focus), 5.2c.(1) asks, How does your learning and development system address ... organizational performance and Innovation?"

- While the word "Innovation" does not appear, per se, in Category 6 (Operations Focus), the Category is all about designing, managing, and improving work systems and work processes. And how do we "design, manage, and improve" something? Right! By continuous evaluation that leads to incremental and breakthrough (innovative) improvements.

- In Category 7 (Results), the word "Innovation" only appears once. 7.1b.(1) asks, "What are your current levels and trends in key measures or indicators of the operational performance of your key work systems and processes, including ... Innovation?" But what is the purpose of Category 7? Why are we interested in knowing our results (levels, trends, comparisons, and integration)? Of course, it is because we want to identify ways to improve our results. Once again: How do we improve? By continuous evaluation that leads to incremental and innovative improvements.

At the risk of sounding like a broken record, if you want to learn more about Innovation, please sign up for the Virginia Forum for Excellence on September 10 and 11. ●