

# PERFORMANCE COUNTS

Winter 2013-2014



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?

- *Terry Burns, Executive Director* [director@spqa-va.org](mailto:director@spqa-va.org)
- *Dr. Jan Garfield, Board Chair* [chair@spqa-va.org](mailto:chair@spqa-va.org)
- *Mike Novak, Newsletter Editor* [editor@spqa-va.org](mailto:editor@spqa-va.org)

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## Bob Bowles, SPQA Director, Honored

*Bob passes the torch to Terry Burns ... Recognized for Service to SPQA*



At the September 2013 Virginia Forum for Excellence, Bob Bowles was honored by the United States Senate and the Commonwealth of Virginia for over 20 years of service as SPQA's Executive Director.

The following is the Tribute to Bob from the Commonwealth of Virginia, which was read into the U.S. Congressional Record:

Whereas, in 1982, U.S. Senate resolution 502 was passed promoting the creation of state sponsored programs to promote quality in industry.

Whereas, in 1983, the United States Senate Productivity and Quality Award (SPQA) program was established to promote quality in Virginia organizations.

Whereas, since its founding 30 years ago, SPQA has been an all-volunteer organization with a mission to promote and recognize high performance organizations in Virginia.

Whereas, SPQA is the oldest continuously operating productivity and quality awards program in the United States.

Whereas, since 1983, SPQA has recognized over 300 Virginia city and county organizations, businesses, nonprofit and educational organizations with SPQA awards in recognition for their

pursuit of organizational excellence.

Whereas, since 1983, SPQA has provided training and an award challenge to thousands of individuals and organizations in the Commonwealth of Virginia.

Whereas, since 1994, Bob Bowles has been Director and Executive Director of the SPQA program.

Whereas, for more than 20 years, Bob Bowles has provided thousands of volunteer hours, the vision and the leadership for SPQA to accomplish its mission.

Now, therefore, the Commonwealth of Virginia wishes to recognize Bob Bowles as a high performance individual and for his extensive contributions to the success of SPQA and many Virginia governmental, business, educational and nonprofit organizations. ●

## 2014 SPQA Cycle Update

*Teams are examining Applications!*



In January, Examiners gathered in three separate two-day sessions to learn the craft of Examinership. Training centered on how to analyze Applicants' responses to the Baldrige *Criteria for Performance Excellence*. In particular, that focused on the development of Feedback Comments that illustrate Applicants' Strengths and

Opportunities for Improvement in both Process and Results Categories of the *Criteria* and the scoring of individual Items.

The training also addressed the SPQA Examination Process, focusing especially on Independent Review, Consensus Review, and Site Visit activities.

Scorebook Navigator, the online examiner tool, was explained.

Finally, the all-important subject of Examiner professional ethics and conflict of interest issues were reviewed.

The day after general Examiner training, specialized leadership training was conducted for Team Leaders, Mentors, Editors, and

Following the training, the Examiner Teams were assembled, and were given their Applications to review. By the end of February, Teams will have finished Independent Review and will be commencing the Consensus Review Phase.

By the end of May, Examiners will develop a Consensus Scorebook, conduct a Site Visit, develop a Final Feedback Report, and meet with the Panel of Judges. In June, Teams will meet with Applicants for face-to-face Feedback Sessions.

For more information about SPQA Examiners, go to <http://www.spqa-va.org/examiners.html>! ●

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



## Innovation – Without the Hype or the Ho-hum A Commonsense Approach to Cultivating an Innovative Organization

**Book Review: *The Executive Guide to Innovation: Turning Good Ideas Into Great Results.* By Jane Keathley, Peter Merrill, Tracy Owens, Ian Meggarrey, and Kevin Posey. Milwaukee: Quality Press, 2014. xx + 160 pp. \$30.00 (\$18.00 for ASQ Members).**



Over the past several years, "innovation" has become the buzzword *du jour*. You can't pick up a periodical – from *Diversity Executive* to *Government Technology* to the *U.S. Naval Institute Proceedings* – without seeing an article about innovation. Most of these articles are far from compelling – full of vague platitudes that shed little light on the topic. And many recent books on the subject are no better – just longer – and serve more to cure insomnia than to enlighten. (Alas, even the venerable Baldrige *Criteria for Performance Excellence* falls short.)

But, finally, Jane Keathley and her colleagues from the American Society for Quality's Innovation Interest Group have published a book that treats the topic of innovation in an interesting, informative, and enlightening manner.

*The Executive Guide to Innovation* comprises ten chapters, of which three are case studies. The Introduction and Chapters 1 through 3 provide the expected background, and answer fundamental questions about the topic: What is Innovation? (Innovation is the successful conversion of *new* concepts and knowledge into *new* products, services, or processes that deliver *new* customer value in the marketplace. [Emphasis in the original]) Why "do" Innovation?

What is the role of Leadership in Innovation? How important are an organization's Vision and Culture in making Innovation happen?

The real "guts" of *The Executive Guide to Innovation* appear in Chapters 5, 6, 8, and 10. Chapter 5, "Innovation Strategy," approaches innovation as a strategic effort. Among other things, innovation must be approached from a holistic, company-wide perspective: Innovation crosses all organizational boundaries – horizontal and vertical. Innovation is also viewed as a process – that can be measured, assessed, improved, and managed. Within this context, the innovation process can produce incremental, small-scale, innovations or "breakthrough" improvements. (Remember Juran's Quality Improvement model?) Chapter 5 also addresses innovation within the context of the organization and its environment, including mission; vision; core competencies; core technologies; competitive advantages and challenges; market, industry, and competitive forces; and the organization's readiness to engage in the innovation journey. (This is reminiscent of the Key Factors enumerated in the Baldrige Organizational Profile.)

In Chapter 6, "Building the Innovative Organization," the authors borrow from the Enterprise Architecture discipline. The Chapter addresses the "building blocks" that must be used to construct an innovative organization including communication channels; organizational structure and infrastructure; organizational "style;" metrics to track innovation operations; and the organization's workforce. Here, the authors propose three ways to build an innovative organization: (a) renovation – reorganization of an existing entity to integrate innovation into the entity; (b) add-on – innovation added as a subset of an existing organization, e.g., a new research unit; and (c) new construction – a brand-new organization that includes innovation from the very beginning.

Chapter 8, "Dream into Action: Execution of the Innovation Strategy," offers a four-step

innovation process. Step 1, "Find the Opportunity," focuses on identifying a need or opportunity for an innovative solution. Step 2, "Connect the Idea to the Solution," focuses on generating possible solutions to the need or opportunity. The outcome of this step is the selection of a solution to develop. Step 3, "Make the Solution User-Friendly," focuses on making sure the solution will be accepted by customers and other stakeholders. In other words, the development team must make the solution effective, easy to use, and relatively inexpensive. Here the process must rely on extensive interaction with customers and other stakeholders. Step 4, "Execute," focuses on getting the solution to market.

Chapter 10, "Sustainable Innovation," concentrates on keeping the innovation culture going. First, the organization must be constantly vigilant and respond proactively to changes in the internal and external environments that might affect the organization's innovation processes and practices. Also, the organization's senior leadership must support and maintain the innovation culture – in particular, through integrating innovation into the overall strategy and strategic planning process. Establishing a high-profile, high-visibility innovation center of excellence is another way to sustain the innovation culture.

The Appendix, "Innovation Tools," answers the question, "How do I do all of this?" the authors present fully 35 pages of tools, techniques, and methodologies – ranging from simple tools like Affinity Diagrams and Fishbone Diagrams to large-scale programs like the Baldrige Performance Excellence Program – that facilitate innovation.

I found *The Executive Guide to Innovation* to be an easy, entertaining read. But the title is a bit misleading: I would recommend the book for *all* change agents and managers – not just executives.

Coming in the next issue of *Performance Counts*: An interview with the author – Jane Keathley. ●

Reviewed by Michael J. Novak.

## Baldrige News

### What's going on at the National level?

As you know, monumental changes have been occurring in the National Baldrige program that affect Alliance programs like SPQA. Teams are implementing initiatives to support the new Baldrige model. Here are updates from some of the Teams:

#### Alliance Best Practices Team

(Goal: Identify and recommend a standard set of four award levels, including the breakout of the Criteria requirements to be used at each level) The team is reviewing feedback reports given to organizations that have completed a "Level 1" application (Organizational Profile only). After reviewing these documents, the team will identify best practices from the various programs. The team hopes to have this completed by the April/May timeframe.

#### Integrated Examiner Training Team

(Goal: Design a training model that reduces variability among state and national examiners and reduces Enterprise costs) Two projects are being reported on. The **Regional Examiner Training Pilot** is set for the week of May 11, 2014, at National University in San Diego, California. The session is open to examiners from the national Baldrige program and Alliance member programs. **Examiner Curriculum Development** accomplishments include: (1) the team has developed a high-level outline of an Enterprise-wide examiner training curriculum that can be delivered to both Baldrige examiners and examiners in Alliance member programs; and (2) the curriculum is based on the "flipped-classroom" model, where some content is delivered online. Next steps include: (1) review the curriculum outline with Alliance member programs through a webinar in March; (2) develop training modules that can be piloted with a small set of Alliance programs in 2014; and (3) select technology to support the pilots.

#### Marketing, Promotions, and Communications Team

(Goal: Being revised) New versions of the health care and education fliers have been created. Any program can print and distribute these fliers. <http://baldrigeresourcelibrary.wordpress.com/2013/02/10/baldrige-award-recipient-results-fliers/> ●

## Meet the New SPQA Executive Director Terry Burns takes the helm



In December, the SPQA Board of Directors elected Terry Burns to the Executive Director position. Terry has served SPQA as an examiner and examiner team leader since 2008. He was elected an SPQA Director in 2010 and has served on the board as Forum Chair, Operations Chair, and Marketing Chair. He is the founder and principal consultant for Burns & Associates, Inc., a Richmond, Virginia based quality management consulting firm established in 1987. Prior to Burns & Associates, Terry served in plant and corporate quality management positions with Brockway Plastics, Inc., Ethyl-IMCO, and TONKA Corporation. In 2012, he was elected a Fellow by the ASQ Board of Directors and continues to be an active participant in ASQ at both the national and local levels. Terry has a BA degree from the University of Minnesota and is an ASQ CQE, ASQ CQA and IRCA Principal Auditor. Terry and his wife Susan reside in Chesterfield County, Virginia.

#### Message from Terry Burns

"SPQA has a proud history and a very bright future. At 32 years and counting, we are the oldest program of its type in the country. In recent years we have expanded our offerings to include small business initiatives with the Commonwealth of Virginia and Federal agencies, and expanded our training offerings. Our "working board" is currently developing and deploying major initiatives directed at determining the current and future needs of our customers, aligning our services to fulfill those needs,

improving our marketing capabilities and expanding and engaging our volunteer, partner, and sponsor bases. These initiatives are aligned with our new Mission and Vision statements.

"For the record, I would like to restate our Mission and Vision:

"SPQA's Mission is to promote continual improvement strategies and provide training, mentoring, and recognition to organizations in pursuit of performance excellence.

"SPQA's Vision is that SPQA will be a nationally-known program that helps businesses and organizations achieve operational excellence, world-class customer satisfaction, superior performance, and national recognition.

"SPQA depends on volunteers to accomplish the Mission and reach for the Vision. I want to take this opportunity to thank all current and past SPQA volunteers for your support. As a volunteer you are giving back to your profession, your community, the Commonwealth of Virginia, and the District of Columbia. I look forward to working with each of you as we move forward. If you would like to help as an SPQA volunteer or participate in one of our programs, please feel free to contact me at [director@spqa-va.org](mailto:director@spqa-va.org) /571-215-8881 or Jan Garfield, SPQA Chair at [chair@spqa-va.org](mailto:chair@spqa-va.org)/540-589-9424." ●

Best Regards,  
Terry Burns  
Executive Director  
[www.spqa-va.org](http://www.spqa-va.org)



## SPQA Schedule of Events

- January 15 – February 28, 2014 – Independent Review
- March 1 – March 16, 2014 – Consensus Phase
- April 23 – May 8, 2014 – Site Visits
- May 8 – May 16, 2014 – Preparation of Feedback Reports
- June 16 – June 30, 2014 – Team Meetings with Applicants
- September 15 & 16, 2014 – VA Forum for Excellence ●

## Register Now for the Quest for Excellence® Conference

[Register today](#) for the [26th annual Quest for Excellence® conference!](#)

The conference, which will showcase the best practices and lessons learned of the three [2013 Baldrige Award recipients](#), along with those from past awardees, is being held April 6-9 at the Marriott Baltimore Waterfront in Baltimore, MD.

Attend Quest and learn role model best practices from current and former Award recipients in all sectors in leadership; strategic planning; customer focus; measurement, analysis, and knowledge management; workforce focus; and operations focus and take home solutions to help your organization achieve breakthrough performance and results. Stay tuned for updates on the [conference schedule](#).

[Pre-conference workshops](#) are available the afternoon of April 6, 2014, for beginner and intermediate users of the Baldrige Criteria. To enhance the learning environment, attendance at the workshops is limited, so early registration is recommended.

For more information about the Quest for Excellence® Conference, visit the [conference Webpage](#). For questions, contact the Baldrige Performance Excellence Program at (301) 975-2036 or [baldrige@nist.gov](mailto:baldrige@nist.gov). ●



## 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 Spring 2014 edition. To be considered, submit your article no later than April 11, 2014 to: editor@spqa-va.org. Please limit submissions to 625 words.*

# How Important Is Comparative Data? Golf, Infant Mortality, AP Chemistry, and Widgets

We all know the four scoring factors for Results Items: Levels, Trends, Comparisons, and Integration. The first two are fairly straightforward – we want to know how our organization is performing now (Levels) and over time (Trends). The fourth is a bit more difficult to grasp – mainly because it mixes Alignment and Integration (apples and oranges) – and we won't discuss it here.

Measuring performance is seldom useful when conducted in a vacuum. Measuring our current performance or our performance over time provides little actionable information without a context. And that context is the universe of measurement in which we find ourselves.

Let's take a very simple example: golf. Full disclosure: I do not play golf. I learned to play a long time ago, found out I was not adept at the game, and gave it up. But I know how the game is played: People use "clubs" to hit little white balls down a "fairway" and eventually hit the ball into a hole in the middle of a "green." The people generally do this 18 times. The person who does it with the fewest "strokes" wins the game. So, performance excellence in golf is defined as hitting the ball into the hole 18 times with the fewest strokes.

Simple enough, right? Not so fast. If I hit the ball into the hole 18 times with 90 strokes today, am I a poor, mediocre, good, or excellent golfer? We don't know, because there is no context; there are too many variables we need to consider.

We create the context – and address the variables – by comparing our performance with other golfers, standards, and other performance criteria.

In *Measuring Performance*, Bob Frost provides three elements of the "comparative context" – Internal Comparatives, External Comparatives, and Theoretical Standards.

We generally do not look at the last of these because, as implied in the name, they are theoretical. It is theoretically possible to finish 18 holes of golf with a score of 18. In a health care setting, it is theoretically possible to have 0% infant mortality. In education, it is theoretically possible for all students in a high school to receive an "A" in AP Chemistry. In manufacturing, it is theoretically possible to produce 100% defect-free widgets. But these theoretical standards are, for all intents and purposes, impossible to achieve. So we ignore them.

Generally, we begin our comparative context by focusing on Internal Comparatives. I shot a 90 in golf today; my average last year was 93, year before last, 95, and so forth. I'm getting better. My goal is to shoot 88. I'm not there yet, but I'm approaching my goal.

In the health care example, ABC Hospital's infant mortality is 0.05% this year; 0.06% last year; 0.8% the year before last; its goal is 0.03%. The hospital is improving and approaching its goal.

In the education example, this year 2% of students at W. Edwards Deming High School receive an "A" in AP Chemistry. Last year it was 1.99%; the year before last, 1.96%; the goal is 3%. The high school is improving and approaching its goal.

In the manufacturing example, this year the Zenith Widgets, Inc., produces 10% defects per million opportunities (DPM). Last year it was 12%; the year before last, 14%; the goal is 5%. The company is improving and making progress toward its goal.

But these examples only show internal comparatives. They do not tell us much about true performance. For that, we need external comparatives: standards, benchmarks,

performance of other organizations.

In the golf example, the standard is the "par" for the course. If I shoot 90, and par is 88, then I am not meeting the standard. The benchmark (best performance in class) may have been a 75, shot by Walter Hagen in 1948. And Tiger Woods may consistently shoot an 80. So I'm not such a great golfer after all, am I?

In the health care example, if the average infant mortality of similar hospitals is 0.03%, then ABC Hospital is on track to reach average. But average is not world class. If XYZ Hospital is the national benchmark, with 0.01% infant mortality, then ABC Hospital has a long way to go.

In the education example, the average of students achieving an "A" in AP Chemistry among similar high schools is 1.95%; no other high school has ever achieved higher than 1.97%. W. Edwards Deming HS, with 2%, is clearly the benchmark to be emulated by all similar high schools. Parenthetically, this does not mean that WED HS should rest on its laurels. It should continue to strive for even higher levels of performance excellence.

In the manufacturing example, we find that the benchmark is 1% DPM and industry average is 1.4% DPM. Zenith's performance is clearly substandard, and even its internal improvement goal falls far short of even the industry standard.

In summation, while consideration of our performance Levels and Trends is important and necessary, it is not sufficient. We must look at our performance in a wider context – comparing our performance with our competitors' and other organizations' performance, with industry averages, and with benchmarks. ●