

BALDRIGECOACH®

**Building Improvement and Innovation
Into Your Organization and Your
Application**

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Workshop Objectives

- Understand the continuum of “learning” from the Baldrige Criteria perspective
- Improve your organization’s performance through proactive process management
- “Retrieve” cycles of evaluation and improvement and examples of innovation
- Develop the skills to describe “learning” in your iPEX and Baldrige applications

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Where Are You on the Journey?

- New to the iPEX program
- Have submitted at least one application
- Received some level of award
- Received the highest award from iPEX
- Other?

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What's Your Role in Improvement?

Senior leaders should spend most of their time doing this

Run the Business

Change the Business

But most leaders and managers spend most of their time doing this

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How Do You Prioritize Your Improvement Efforts?

- Customer pain points?
- High costs?
- Employee complaints?
- Corrective actions for survey deficiencies or audit findings?

These are necessary but not sufficient for high performing organizations.

- The key is “yes, and...” – not “yes, but...”

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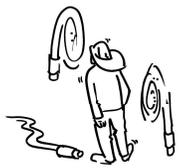
Ever Get One of These OFIs? (or worse yet, a Key Theme)

- Many processes lack the beginning of a systematic approach to evaluation and improvement. These include performance evaluation of the senior leaders; the voice of the customer processes; customer engagement processes; and those processes associated with measurement, analysis, and improvement of organizational performance. Without cycles of evaluation and improvement, the organization may miss opportunities to identify emerging gaps or opportunities to better serve its customers.

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The Baldrige Concept of Learning: From Fighting Fires to Innovation

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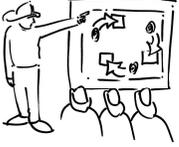
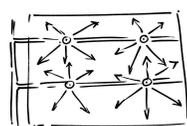
Reacting to the problem (0-5%)
Run with the hose and put out the fire.

General improvement orientation (10-25%)
Install more fire hoses to get to the fires quickly and reduce their impact.

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The Baldrige Concept of Learning

3  **4** 

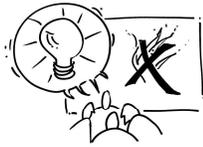
Systematic evaluation and improvement (30-45%)
Evaluate which locations are most susceptible to fire. Install heat sensors and sprinklers in those locations.

Learning and strategic improvement (50-65%)
Install systemwide heat sensors and a sprinkler system that is activated by the heat preceding fires.

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The Baldrige Concept of Learning

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Organizational analysis and innovation (70-100%)
Use fireproof and fire-retardant materials. Replace combustible liquids with water-based liquids. Prevention is the primary approach for protection, with sensors and sprinklers as the secondary line of protection. This approach has been shared with all facilities and is practiced in all locations.

From Baldrige Performance Excellence Program: 2015-2016 Baldrige Excellence Framework: A Systems Approach to Improving Your Organization's Performance. Gaithersburg, MD: U.S. Department of Commerce, National Institute of Standards and Technology. <http://www.nisi.gov/baldrige>

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“Learning” Across the Scoring Ranges

Score	Description
0 – 5%	An improvement orientation is not evident; improvement is achieved by reacting to problems.
10 – 25%	Early stages of a transition from reacting to problems to a general improvement orientation are evident.
30 – 45%	The beginning of a systematic approach to evaluation and improvement of key processes is evident.
50 – 65%	A fact-based systematic evaluation and improvement process and some organizational learning, including innovation, are in place for improving the efficiency and effectiveness of key processes.
70 – 85%	Fact-based, systematic evaluation and improvement and organizational learning, including innovation, are key management tools; there is clear evidence of refinement as a result of organizational-level analysis and sharing.
90 – 100%	Fact-based, systematic evaluation and improvement and organizational learning through innovation are key organization-wide tools; refinement and innovation, backed by analysis and sharing, are evident throughout the organization.

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The Baldrige Concept of “Innovation”

- Making meaningful change to improve health care services, processes, or organizational effectiveness and create new value for stakeholders.
- Involves adopting an idea, process, technology, product, or business model that is either new or new to its proposed application.
- The outcome of innovation is a discontinuous or breakthrough change in results, services, or processes.

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What Is Process Management?

- Establishment of Process Owners for Key Processes
- A Management System for Defining and Documenting Key Processes
- A Proactive Approach to Regular Review of Key Processes to Identify Opportunities for Improvement and Innovation

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Key Processes, per the Baldrige Glossary

- Your most important internal value-creation processes
- Involve the majority of your organization's workforce
- Produce customer, stakeholder, and stockholder value
- Frequently relate to your core competencies and factors that determine your competitive advantages

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Why the Need for Process Management?

- Do you ever hire new employees?
- Do best practices emerge in your industry?
- Do technologies evolve?
- Do competitors ever "out-innovate" you?
- Do customers' requirements and expectations ever change?

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Process Owners Are Responsible for Ensuring That:

- The process is designed to meet related customer and business requirements
- Measure(s) of the process are defined
- The process is monitored for performance effectiveness
- Related documents (policies, procedures, instructions, etc.) are developed, approved, and updated to support the process
- Appropriate training is conducted
- The process is regularly evaluated and improved, not only when an adverse trend is detected or negative feedback received

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The Process Owner Is Also

- The person with organizational responsibility for all of the cross-functional areas involved in the process
- The only person with the authority to approve changes in the process or related measures



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Lessons Learned About Process Ownership

- Always an individual, never a department or function
- One person, not multiple – this becomes even more important the more cross-functional a process is



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In Contrast, Metric Owners

- Are responsible for:
 - Gathering data
 - Identifying relevant comparisons
 - Reporting the results
 - Identifying any adverse trends
 - Assisting with root cause analysis and recommendations for improvement

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Principles of Process Improvement

- All Work Is a Process
- Cross-Functional Processes Represent the Largest Opportunity
- Processes Should Be Designed to Meet or Exceed Customers' Requirements
- Processes Need Clear Ownership
- Procedures Document Processes
- Following Procedures Reduces Variation and Promotes Customer Satisfaction

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A Common Tool to Describe a Process, SIPOC

The diagram illustrates the SIPOC model. At the top, five boxes labeled S, I, P, O, and C are connected by arrows. Below each box is a definition: S (Suppliers) is 'The provider of resources that directly contribute to creating the output'; I (Inputs) is 'Materials, information, data, or resources required to execute the process'; P (Process) is 'A structured set of interrelated activities that transforms the input into specific, value-add output to identified customers'; O (Outputs) is 'The product(s) of the process that transform the input'; C (Consumers) is 'The recipient of the output(s)'. Below this, a process flow starts with a green circle 'Start', followed by four blue boxes labeled 1.0, 2.0, 3.0, and 4.0, and ends with a red circle 'Finish'. An arrow points from the 'Process' box to the 3.0 box in the flow.

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How do you determine key work process requirements?

- It starts with identifying your key customers and stakeholders
- The next step is listening to the Voice of the Customer (VOC)
- The next step requires translating the VOC into measurable attributes of the process ("specifications")



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CTQ (Critical to Quality) Flowdown

- Systematic process for translating the Voice of the Customer (VOC) into product or process design requirements
- Actionable and measurable
- Validated with the customer
- Weightings provided by the customer
- Tracked throughout the life of the project

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CTQ Characteristics

- Linked to a customer need, requirement, or expectation
- Stated clearly, simply, and unambiguously
- Describe the what will be met, not the how
- Specific
- Quantifiable (e.g., "respond by noon the following day," not "respond quickly")

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Understanding Customer Requirements

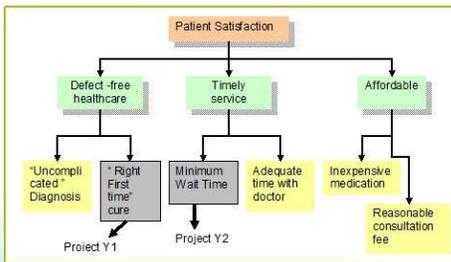
- Customers are often (unintentionally) vague
- Many times, you must determine what customers don't want to identify what they do want
- Customers' downstream activities (the customers' customers) are important to understand
- Not all requirements are equal in importance

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Tree Diagram Example of CTQ Flowdown



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CTQ Flowdown Results in

- Defined units of measure
- Desired level of performance (target)
- Lowest acceptable level of performance (customer specification limit or internal control)
- Highest acceptable level of performance (customer specification limit or internal control)
- Leading vs. lagging indicators of customer satisfaction

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“Learning” Related to Process Items Comprises

- The refinement of your approach through cycles of evaluation and improvement
- The encouragement of breakthrough change to your approach through innovation, and
- The sharing of refinements and innovation with other relevant work units and processes in your organization

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Describing “Learning” in iPEX and Baldrige Applications

- It isn't learning in the way most of us think about learning
- It needs to be featured explicitly in your application to get credit from the examiners
- It needs to be intentional (no RAGs*)
- It needs to be evident in every Process Item
 - Italics, bold, or underline
 - Icons (one for cycles of evaluation and improvement and one for innovation)

BALDRIGE COACH 29 *Borrowed from Quiet Excellence

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Example of Using Icons

Throughout this application ★ signifies a cycle of evaluation and improvement, and 🇺🇸 signifies innovation.

transport. ★ In 2011, in a cycle of evaluation and improvement, our nursing staff identified that they were concerned with traveling safely to and from work during inclement winter weather. SL worked with a nearby hotel to secure rooms for [REDACTED] staff who could not drive home safely. The rooms were paid for by [REDACTED] and meals were supplied by our Nutrition Services Department. 🇺🇸 In 2013, as an innovation, the Employee Council determined that this policy should be further expanded to include staff in all departments.

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What Gets "Credit" For Learning -- Item 3.1 Example

<p>YES</p> <p>"As a result of changes in our resident demographics, we evaluated the effectiveness of our listening methods and improved them with the addition of more social media options."</p>	<p>NO</p> <p>"As a result of feedback from our Resident Council, we changed from standard visiting hours to an open schedule where families and friends can visit at their convenience."</p>
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What process was "changed?"

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Why Is This So Difficult?

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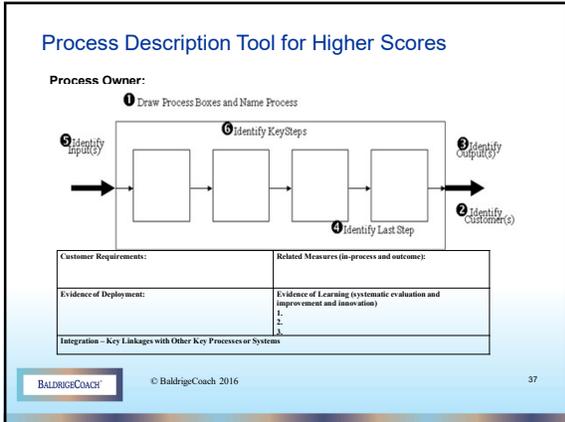
Rediscovering Your Own Cycles of Evaluation and Improvement

- "Have we always done (this process) the same way?"
- "How did we do (this process) 3 years ago?"
- "What's better about the way we do (this process) now?" "Why did we change it?"

- Create a "Learning" Log (example on the following page)

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- ### Summary
- Understand the continuum of “learning” from the Baldrige Criteria perspective
 - Improve your organization’s performance through process management
 - Develop the skills to describe “learning” in your iPEX and Baldrige applications
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- ### Next Steps and Wrap Up
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Thank you!

- How can we help?
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