



Arizona State Quality Awards Program



2007 State Quality Award Criteria and Application

Dear Dedicated Professional:

The Arizona Quality Alliance is pleased to present the Arizona Criteria for Performance Excellence for the year 2007. We believe that you are utilizing one of the best methodologies available to develop a higher level of organizational performance.

The **State Quality Award** program continues to use the current year Baldrige National Quality Program criteria (elements contained within) but has major differences from the national program in how the process is implemented. There is an option to submit an application for Feedback Only. This allows former Governor's Award recipients (or other organizations that wish to forego a site visit) to receive examiner feedback, even though they are not eligible to receive one of the awards. Examiners will be selected from those eligible as needed, and will take additional training and preparation as a team. Every applicant seeking an award will receive a site visit.

Dedicated professionals and volunteers support the Arizona State Quality Awards program. The State of Arizona receives an enormous benefit from the efforts of these individuals and their willingness to offer their time and talents. We extend our thanks to every participant in the process.

Recipients of the Governor's Award or the Pioneer Award should take pride in their accomplishment. They are succeeding in their efforts to navigate a pathway toward performance excellence and customer satisfaction. In the highly competitive and rapidly changing business climate we face, organizations look for ways to improve the value they provide. Customers demand excellence from the businesses they choose. We believe the Arizona Criteria for Performance Excellence provides a strong tool for organization improvement, and look forward to working with applicants and volunteers in the awards process. If we may be of service to you in any way, please do not hesitate to call upon us.

**Members of the Technical Integrity Council,
Arizona State Quality Awards Program**

There is no minimum or maximum number of awards given each year. Recipients of the awards represent a high level of achievement in approach and deployment of quality systems and processes with results to validate those approaches. Recipients are expected to share their learning with other organizations. Interested organizations should contact recipient organizations directly for information on learning from their experiences.

Criteria, testimonials and additional info can be found on the AQA Website:

www.arizona-excellence.com

2007 CRITERIA FOR PERFORMANCE EXCELLENCE—ITEM LISTING

P Preface: Organizational Profile

- P.1 Organizational Description
- P.2 Organizational Challenges

2007 Categories and Items

Point Values

1 Leadership

120

- 1.1 Senior Leadership 70
- 1.2 Governance and Social Responsibilities 50

2 Strategic Planning

85

- 2.1 Strategy Development 40
- 2.2 Strategy Deployment 45

3 Customer and Market Focus

85

- 3.1 Customer and Market Knowledge 40
- 3.2 Customer Relationships and Satisfaction 45

4 Measurement, Analysis, and Knowledge Management

90

- 4.1 Measurement, Analysis, and Improvement of Organizational Performance 45
- 4.2 Management of Information, Information Technology, and Knowledge 45

5 Workforce Focus

85

- 5.1 Workforce Engagement 45
- 5.2 Workforce Environment 40

6 Process Management

85

- 6.1 Work Systems Design 35
- 6.2 Work Process Management and Improvement 50

7 Results

450

- 7.1 Product and Service Outcomes 100
- 7.2 Customer-Focused Outcomes 70
- 7.3 Financial and Market Outcomes 70
- 7.4 Workforce-Focused Outcomes 70
- 7.5 Process Effectiveness Outcomes 70
- 7.6 Leadership Outcomes 70

TOTAL POINTS

1,000

6 Process Management (85 pts.)

The **PROCESS Management** Category examines HOW your organization determines its CORE COMPETENCIES and WORK SYSTEMS and HOW it designs, manages, and improves its KEY PROCESSES for implementing those WORK SYSTEMS to deliver CUSTOMER VALUE and achieve organizational success and SUSTAINABILITY. Also examined is your readiness for emergencies.

6.1 Work Systems Design: How do you design your work systems? (35 points)

Process

Describe HOW your organization determines its CORE COMPETENCIES and designs its WORK SYSTEMS and KEY PROCESSES to deliver CUSTOMER VALUE, prepare for potential emergencies, and achieve organizational success and SUSTAINABILITY.

Within your response, include answers to the following questions:

a. CORE COMPETENCIES

- (1) How does your organization determine its CORE COMPETENCIES? What are your organization's CORE COMPETENCIES and how do they relate to your MISSION, competitive environment, and ACTION PLANS?
- (2) How do you design and innovate your overall WORK SYSTEMS? How do you decide which PROCESSES within your overall WORK SYSTEMS will be internal to your organization (your KEY WORK PROCESSES) and which will use external resources?

b. Work PROCESS Design

- (1) What are your organization's KEY WORK PROCESSES? How do these KEY WORK PROCESSES relate to your CORE COMPETENCIES? How do these PROCESSES contribute to delivering CUSTOMER VALUE, profitability, organizational success, and SUSTAINABILITY?
- (2) How do you determine KEY WORK PROCESS requirements, incorporating input from CUSTOMERS, suppliers, PARTNERS, and COLLABORATORS, as appropriate? What are the KEY requirements for these PROCESSES?
- (3) How do you design and innovate your work PROCESSES to meet all the KEY requirements? How do you incorporate new technology, organizational knowledge, and the potential need for agility into the design of these PROCESSES? How do you incorporate CYCLE TIME, PRODUCTIVITY, cost control, and other efficiency and EFFECTIVENESS factors into the design of these PROCESSES?

c. Emergency Readiness

How do you ensure WORK SYSTEM and workplace preparedness for disasters or emergencies? How does your disaster and emergency preparedness system consider prevention, management, continuity of operations, and recovery?

Notes:

N1. “Core competencies” (6.1a) refers to your organization's areas of greatest expertise. Your organization's core competencies are those strategically important capabilities that provide an advantage in your marketplace or service environment. Core competencies frequently are challenging for competitors or suppliers and partners to imitate and provide a sustainable competitive advantage.

N2. “Work systems” refers to how the work of your organization is accomplished. Work systems involve your workforce, your key suppliers and partners, your contractors, your collaborators, and other components of the supply chain needed to produce and deliver your products, services, and business and support processes. Your work systems coordinate the internal work processes and the external resources necessary

for you to develop, produce, and deliver your products and services to your customers and to succeed in your marketplace.

N3. Your key work processes (6.1b[1]) are the processes that involve the majority of your organization's workforce and produce customer, stakeholder, and stockholder value. Your key work processes are your most important product and service design and delivery, business, and support processes.

N4. Disasters and emergencies (6.1c) might be weather-related, utility-related, security-related, or due to a local or national emergency, including potential pandemics such as an avian flu outbreak. Emergency considerations related to information technology should be addressed in Item 4.2.

For additional description of this Item, see pages 47–48.

6.2 Work Process Management and Improvement: How do you manage and improve your key organizational work processes? (50 points)

Process

Describe how your organization implements, manages, and improves its key work processes to deliver customer value and achieve organizational success and sustainability.

Within your response, include answers to the following questions:

a. Work Process Management

- (1) How do you implement your work processes to ensure that they meet design requirements? How does your subsequent day-to-day operation of these processes ensure that they meet key process requirements? How is customer, supplier, partner, and collaborator input used in managing these processes, as appropriate? What are your key performance measures or indicators and in-process measures used for the control and improvement of your work processes?
- (2) How do you minimize overall costs associated with inspections, tests, and process or performance audits, as appropriate? How do you prevent defects, service errors, and rework and minimize warranty costs or customers' productivity losses, as appropriate?

b. Work Process Improvement

How do you improve your work processes to achieve better performance, to reduce variability, to improve products and services, and to keep the processes current with business needs and directions? How are improvements and lessons learned shared with other organizational units and processes to drive organizational learning and innovation?

Notes:

N1. To improve process performance (6.2b) and reduce variability, you might implement approaches such as a Lean Enterprise System, Six Sigma methodology, use of ISO 9000:2000 standards, the Plan-Do-Check-Act methodology, or other process improvement tools.

N2. The results of improvements in product and service performance should be reported in Item 7.1. All other work process performance results should be reported in Item 7.5.

For additional description of this Item, see page 48.