



Arizona State Quality Awards Program

2006 Showcase in Excellence Awards Application Guidance Document

AQA is proud to offer an addition to the Arizona State Quality Award Program - the *Showcase in Excellence Awards*. AQA realizes the need to complement our *State Quality Award* (holistic look at organization) with an award program that focuses on specific organizational processes. This program provides additional opportunity for receiving feedback and recognition.

Applicants will gain a better insight into their organization and will be provided feedback on their submitted organizational process from trained members of the Board of Examiners. Recognition for recipients of the Showcase in Excellence Awards will be provided at the Annual State Quality Awards Program Banquet, as well as in news releases, the AQA website, newsletter, email campaigns, and other marketing opportunities.

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

Intent To Apply Forms Due June 16, 2006. Applications Due July 14, 2006

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Showcase in Excellence Awards Overview

How to Apply:

- 1) Contact AQA to determine if the organization is eligible to submit an application.
- 2) File 'Intent to Apply' form with 50% of the appropriate application fee. (All fees are non-refundable).
- 3) Submit twelve (12) copies of an application that meets the enclosed guidelines with remaining 50% of the appropriate application fee by mail to the address listed below.

Organization Eligibility and Restrictions

The Arizona Showcase in Excellence Awards are open to organizations or divisions that meet all the following requirements:

- Submitted processes must be able to be fully demonstrated in Arizona - the organization's operations, activities, and results can be assessed and visited by a team of examiners
- All sectors are eligible – manufacturing, service, healthcare, education, profit, not-for-profit, private, public, local, state or federal.
- The organization must have existed at least one year prior to submitting an Award application
- Is a permanent organization; i.e., it must not be an organization unit with a defined limited life or an ad-hoc committee, board, or other such unit.
- Has more than two full-time employees

Verification of information in written applications will be made by contact with members of the organization. Information obtained in the application and subsequent verification activities will be protected as confidential. An organization that is part of a larger entity must have sufficient autonomy and authority to make decisions, initiate actions, implement programs, and allocate resources. For example, a college within a university is eligible if it can demonstrate sufficient independent control over the factors that affect the quality of its processes and services.

If you have questions about your organization's eligibility, please call the AQA staff.

Application Fees

	AQA member	Non-member
Showcase in Excellence Awards (per submission)	\$500	\$750

Fees are non-refundable. Fifty percent of the appropriate fee is due upon filing the 'Intent to Apply' form. The remaining 50% is due upon submission of the application to AQA.

Application Package Components

For an application package to be accepted, it must contain:

- Twelve (12) copies of the application document that conform to the guidelines provided
- One (1) copy of your organization's Intent to Apply agreement
- One (1) copy of Page 4 of these guidelines with appropriate signature/s
- Full payment of the application fee

Format for the Application Report

The applicant must respond to each of the questions listed in the application. The Application must be printed on standard 8 1/2 by 11 - inch paper using a font of point 10 or larger with a 1-inch margin. Times-New Roman or equivalent fonts are preferred. The number of lines per page should not exceed 60, including the page headings and page numbers. Type on pages including pictures, graphs, figures, data table, and appendices should also meet the requirements for size and spacing. Pages are to be printed on both sides.

MAXIMUM PAGE LIMIT FOR ALL APPLICATIONS - 10 PAGES

An application that exceeds the permitted page limit will not be accepted by AQA. The page limits include pictures, graphs, figures, data tables, and appendices. Organizational Profile and Context, glossaries, title pages, organization charts, dividers, covers, tab separators and table of contents are not counted as part of the page limit. All other pages must be consecutively numbered from start to finish. Copies of video or audiotape or other information aids should not be submitted and will not be included in the evaluation process.

Submissions that do not meet the requirements given may not be accepted and any application fees paid will not be refunded. The decision to accept or reject a non-conforming application is at the sole discretion of the AQA staff.

Application Review

The review process for the Showcase in Excellence Awards Program is modeled after the approach used for the Baldrige National Quality Program – Approach, Deployment, Learning, Integration, and Results. Applications are reviewed and evaluated by members of the Board of Examiners, in accordance with strict rules regarding conflict of interest. The AQA will deploy a team of examiners to your application who are trained in effectively utilizing the Baldrige review process. The attached scoring matrix is used by the examiners in determining an appropriate score for your application.

Applications are reviewed and evaluated by members of the Board of Examiners, in accordance with strict rules regarding conflict of interest, in a five-stage process:

Stage 1 – Independent review and evaluation by the individual members of the examiner team

Stage 2 – Consensus review and evaluation by the examiner team

Stage 3 – Site visits for the applicant by the examiner team

Stage 4 – Judges' review of applications and examiner findings and recommendations for awards

Stage 5 – Final due diligence conducted for recommended recipient organizations.

Award applicants are evaluated on their performance to the Criteria. There is not competition amongst the field of applicants; there is no min/max number of awards given in each category each year.

Site Visits (All applicants that wish to receive an award will receive a site visit)

The primary objectives of a Site Visit are to verify the information provided in the Application and to clarify issues and questions raised during review of the Report. A Site Visit will be scheduled by the Examiner team in coordination with the applicant during the week/s selected by the applicant in the Intent to Apply Form. Every effort will be made by the AQA and the examiner team to minimize the disruption caused by the Site Visit. This scheduling will include the names and employers of Examiners scheduled to participate. Site Visits consist of interviews by Examiner teams, team reviews of pertinent records and data, including data and information that has accumulated since the formal submission of the application, and other appropriate methods for verifying the application content. The examiner team may request a tour of the facility if they feel it is needed for verification or clarification. The duration of Site Visits will vary due to applicant size, yet are estimated to last between 2-4 hours; site visits cannot exceed 4 hours.

After the Site Visit is completed and information on expenses has been collected, applicants will be invoiced by AQA for the total amount of the examiner team expense. This may include lodging, food, meeting room costs for the examiner team at their place of lodging, and travel and/or roundtrip mileage to the applicant's location. Examiner teams endeavor to keep the costs of the Site Visits as low as possible. If the applicant has restrictions or requirements on the possession or use of personal computer devices, citizenship, security clearances, etc., they should notify AQA of these constraints prior to submittal of their application.

To avoid any appearances of impropriety or perceptions of undue influence on the examiners by the applicant, examiners are not allowed to receive gifts, tokens of appreciation, or other items as part of the Site Visit. The team will arrange for their accommodations and travel, and may not accept lodging or other services from the applicant. Even if it is available as part of the applicant's normal business or provided at market rates, the team will not accept accommodations from the applicant. Team members may ask the applicant for contact information on convenient accommodations as they prepare for the Site Visit.

Feedback to Applicants

The feedback report, a tool for continuous improvement, is a written assessment by an evaluation team from the Board of Examiners. Each applicant organization will receive a full feedback report at the conclusion of the review process. The feedback report contains an applicant-specific listing of strengths and opportunities for improvement based on the Showcase in Excellence Award application and criteria. When used by organizations as part of their strategic planning processes, the feedback report can help them focus on their customers and improve productivity. The feedback system is one of the most important components of the Award process; it provides a pathway for continuous improvement. Strict confidentiality is observed at all times and in every aspect of application review and feedback.

Judges' Final Review

The Panel of Judges will make all recommendations for Award recipients after a final review of all evaluation reports is conducted. The Panel of Judges develops a recommendation for each applicant and will forward it to the Governor's Advisory Council on Quality.

Final Award Determination

Due diligence is performed for all recommended recipients to determine if there are any other outstanding issues that may affect their selection as an Arizona State Quality Award Recipient. The purpose of this final review is to ensure that the awareness and perception of the Award's integrity is maintained.

I have read, understood and agree to the above information concerning my application.

Signature, Contact Person of Applicant

Title

Date _____

Signature, Other Official if required by Applicant

Title

Date _____

Showcase in Excellence Scoring Guidelines – Process

SCORE	PROCESS (Factors: Approach, Deployment, Learning and Integration)
0% or 5%	<ul style="list-style-type: none"> • No SYSTEMATIC APPROACH is evident; information is ANECDOTAL. (A) • Little or no DEPLOYMENT of an APPROACH is evident. (D) • An improvement orientation is not evident; improvement is achieved through reacting to problems. (L) • No ALIGNMENT between organizational need and the process is evident. (I)
10%, 15%, 20% or 25%	<ul style="list-style-type: none"> • The beginning of a SYSTEMATIC APPROACH to the BASIC REQUIREMENTS of the Item is evident. Process and measures are documented. (A) • The APPROACH is in the early stages of DEPLOYMENT with limited progress in achieving the process goals/objectives, inhibiting progress in achieving the BASIC REQUIREMENTS of the item. (D) • Early stages of a transition to an approach of evaluation and improvement of the process. (L) • The APPROACH is aligned with the organizational need(s) and other work areas largely through joint problem solving. (I)
30%,35%, 40% or 45%	<ul style="list-style-type: none"> • An EFFECTIVE, SYSTEMATIC APPROACH, responsive to the BASIC REQUIREMENTS of the Item is evident. (A) • The APPROACH is DEPLOYED, although the DEPLOYMENT varies in some functions of the process and in some work areas included in the process. (D) • The beginning of a SYSTEMATIC APPROACH to evaluation and improvement of the process is evident.(L) • The APPROACH is in early stages of ALIGNMENT with your basic organizational need(s) identified in 1.0 of the application. (I)
50%, 55%, 60% or 65%	<ul style="list-style-type: none"> • An EFFECTIVE, SYSTEMATIC APPROACH, responsive to the OVERALL REQUIREMENTS of the Item, is evident. (A) • The APPROACH is well DEPLOYED, although DEPLOYMENT may vary in some functions of the process and some work areas included in the process. (D) • A fact-based, SYSTEMATIC evaluation and improvement PROCESS and some organizational LEARNING are in place for improving the efficiency and effectiveness of the process over time. (L) • The APPROACH is ALIGNED with the basic organizational need(s) identified in 1.0 of the application. (I)
70%, 75%, 80% or 85%	<ul style="list-style-type: none"> • An EFFECTIVE, SYSTEMATIC APPROACH, responsive to the MULTIPLE REQUIREMENTS of the Item, is evident. (A) • The APPROACH is well DEPLOYED, with no significant gaps. (D) • Fact-based, SYSTEMATIC evaluation and improvement and organizational LEARNING regarding the process are evident; there is clear evidence of refinement and INNOVATION in the process as a result of organizational sharing and feedback. (L) • The APPROACH is INTEGRATED with the organizational need(s) identified in 1.0 of the application and the organizations mission / vision described in the organizational context description. (I)
90%, 95% or 100%	<ul style="list-style-type: none"> • An EFFECTIVE, SYSTEMATIC APPROACH, fully responsive to the MULTIPLE REQUIREMENTS of the Item, is evident. (A) • The APPROACH is fully DEPLOYED without significant weaknesses or gaps in any functions of the process or work areas included in the process. (D) • Fact-based, SYSTEMATIC evaluation and improvement and organizational LEARNING regarding the process are evident; refinement and INNOVATION in the process, backed by ANALYSIS and sharing and feedback, are evident. (L) • The APPROACH is well INTEGRATED with the organizational need(s) identified in 1.0 of the application and the organizations mission / vision described in the organizational context description. (I)

Showcase in Excellence Scoring Guidelines - Results

SCORE	RESULTS (Achievement levels across the 4 factors)
0% or 5%	<ul style="list-style-type: none"> • There are not business RESULTS or poor RESULTS are reported. • TREND data are either not reported or show mainly adverse TRENDS. • Comparative information is not reported. • RESULTS are not reported for any KEY PERFORMANCE MEASURES or INDICATORS of the process.
10%, 15%, 20% or 25%	<ul style="list-style-type: none"> • A few business RESULTS are reported; there are some improvements and/or early good PERFORMANCE LEVELS for the process. • Little or no TREND data are reported. • Little or no comparative information is reported. • RESULTS are reported for a few KEY PERFORMANCE MEASURES or INDICATORS of the process.
30%,35%, 40% or 45%	<ul style="list-style-type: none"> • Improvements and/or good PERFORMANCE LEVELS are reported in many areas addressed in the Item requirements of the process. • Early stages of developing TRENDS are evident. • Early stages of obtaining comparative information are evident. • RESULTS are reported for the KEY PERFORMANCE MEASURES or INDICATORS of the process.
50%, 55%, 60% or 65%	<ul style="list-style-type: none"> • Improvement TRENDS and/or good PERFORMANCE LEVELS are reported for most KEY PERFORMANCE MEASURES or INDICATORS of the process. • No pattern of adverse TRENDS and no poor PERFORMANCE LEVELS are evident in KEY PERFORMANCE MEASURES or INDICATORS of the process. • Some TRENDS and/or current PERFORMANCE LEVELS – evaluated against relevant comparisons and/or BENCHMARKS – show areas of good to very good relative PERFORMANCE. • Process RESULTS address most KEY CUSTOMER, market and PROCESS requirements.
70%, 75%, 80% or 85%	<ul style="list-style-type: none"> • Current PERFORMANCE is good to excellent in most areas of importance to the Item requirements. • Most improvement TRENDS and/or current PERFORMANCE LEVELS are sustained. • Many to most reported TRENDS and/or current PERFORMANCE LEVELS – evaluated against relevant comparisons and/or BENCHMARKS – show areas of leadership and very good relative PERFORMANCE. • Process RESULTS address most KEY CUSTOMER, market and PROCESS and improvement requirements.
90%, 95% or 100%	<ul style="list-style-type: none"> • Current PERFORMANCE is excellent in most areas of importance to the Item requirements. • Excellent improvement TRENDS and/or sustained excellent PERFORMANCE LEVELS are reported for the process. • Evidence of industry and BENCHMARK leadership is demonstrated in many areas. • Process RESULTS fully address most KEY CUSTOMER, market and PROCESS and improvement requirements.

Core Values and Concepts

The Criteria are built upon the following set of interrelated Core Values and Concepts:

- visionary leadership
- customer-driven excellence
- organizational and personal learning
- valuing employees and partners
- agility
- focus on the future
- managing for innovation
- management by fact
- social responsibility
- focus on results and creating value
- systems perspective

These values and concepts, described below, are embedded beliefs and behaviors found in high-performing organizations. They are the foundation for integrating key business requirements within a results-oriented framework that creates a basis for action and feedback.

Visionary Leadership

Your organization's senior leaders should set directions and create a customer focus, clear and visible values, and high expectations. The directions, values, and expectations should balance the needs of all your stakeholders. Your leaders should ensure the creation of strategies, systems, and methods for achieving excellence, stimulating innovation, and building knowledge and capabilities. The values and strategies should help guide all activities and decisions of your organization. Senior leaders should inspire and motivate your entire workforce and should encourage all employees to contribute, to develop and learn, to be innovative, and to be creative. Senior leaders should be responsible to your organization's governance body for their actions and performance.

The governance body should be responsible ultimately to all your stakeholders for the ethics, vision, actions, and performance of your organization and its senior leaders. Senior leaders should serve as role models through their ethical behavior and their personal involvement in planning, communications, coaching, development of future leaders, review of organizational performance, and employee recognition. As role models, they can reinforce ethics, values, and expectations while building leadership, commitment, and initiative throughout your organization.

Customer-Driven Excellence

Quality and performance are judged by an organization's customers. Thus, your organization must take into account all product and service features and characteristics and all modes of customer access that contribute value to your customers. Such behavior leads to customer acquisition, satisfaction, preference, referral, retention and loyalty, and business expansion. Customer-driven excellence has both current and future components: understanding today's customer desires and anticipating future customer desires and marketplace potential. Value and satisfaction may be influenced by many factors throughout your customers' overall purchase, ownership, and service experiences. These factors include your organization's relationships with customers, which help to build trust, confidence, and loyalty.

Customer-driven excellence means much more than reducing defects and errors, merely meeting specifications, or reducing complaints. Nevertheless, reducing defects and errors and eliminating causes of dissatisfaction contribute to your customers' view of your organization and thus also are important

parts of customer-driven excellence. In addition, your organization's success in recovering from defects and mistakes ("making things right for your customer") is crucial to retaining customers and building customer relationships. Customer-driven organizations address not only the product and service characteristics that meet basic customer requirements but also those features and characteristics that differentiate products and services from competing offerings. Such differentiation may be based upon new or modified offerings, combinations of product and service offerings, customization of offerings, multiple access mechanisms, rapid response, or special relationships.

Customer-driven excellence is thus a strategic concept. It is directed toward customer retention and loyalty, market share gain, and growth. It demands constant sensitivity to changing and emerging customer and market requirements and to the factors that drive customer satisfaction and loyalty. It demands listening to your customers. It demands anticipating changes in the marketplace. Therefore, customer-driven excellence demands awareness of developments in technology and competitors' offerings, as well as rapid and flexible response to customer and market changes.

Organizational and Personal Learning

Achieving the highest levels of business performance requires a well-executed approach to organizational and personal learning. Organizational learning includes both continuous improvement of existing approaches and adaptation to change, leading to new goals and/or approaches. Learning needs to be embedded in the way your organization operates. This means that learning (1) is a regular part of daily work; (2) is practiced at personal, work unit, and organizational levels; (3) results in solving problems at their source ("root cause"); (4) is focused on building and sharing knowledge throughout your organization; and (5) is driven by opportunities to effect significant, meaningful change. Sources for learning include employees' ideas, research and development (R&D), customers' input, best practice sharing, and benchmarking. Organizational learning can result in (1) enhancing value to customers through new and improved products and services; (2) developing new business opportunities; (3) reducing errors, defects, waste, and related costs; (4) improving responsiveness and cycle time performance; (5) increasing productivity and effectiveness in the use of all resources throughout your organization; and (6) enhancing your organization's performance in fulfilling its societal responsibilities and its service to your community as a good citizen. Employees' success depends increasingly on having opportunities for personal learning and practicing new skills. Organizations invest in employees' personal learning through education, training, and other opportunities for continuing growth. Such opportunities might include job rotation and increased pay for demonstrated knowledge and skills. On-the-job training offers a cost-effective way to train and to better link training to your organizational needs and priorities. Education and training programs may benefit from advanced technologies, such as computer- and Internet-based learning and satellite broadcasts. Personal learning can result in (1) more satisfied and versatile employees who stay with your organization, (2) organizational cross-functional learning, (3) building the knowledge assets of your organization, and (4) an improved environment for innovation. Thus, learning is directed not only toward better products and services but also toward being more responsive, adaptive, innovative, and efficient—giving your organization marketplace sustainability and performance advantages and giving your employees satisfaction and motivation to excel.

Valuing Employees and Partners

An organization's success depends increasingly on the diverse knowledge, skills, creativity, and motivation of all its employees and partners. Valuing employees means committing to their satisfaction, development, and well-being. Increasingly, this involves more flexible, high-performance work practices tailored to employees with diverse workplace and home life needs. Major challenges in the area of valuing employees include (1) demonstrating your leaders' commitment to your employees' success, (2)

recognition that goes beyond the regular compensation system, (3) development and progression within your organization, (4) sharing your organization's knowledge so your employees can better serve your customers and contribute to achieving your strategic objectives, and (5) creating an environment that encourages risk taking and innovation. Organizations need to build internal and external partnerships to better accomplish overall goals. Internal partnerships might include labor-management cooperation, such as agreements with unions. Partnerships with employees might entail employee development, cross-training, or new work organizations, such as high-performance work teams. Internal partnerships also might involve creating network relationships among your work units to improve flexibility, responsiveness, and knowledge sharing. External partnerships might be with customers, suppliers, and education organizations. Strategic partnerships or alliances are increasingly important kinds of external partnerships. Such partnerships might offer entry into new markets or a basis for new products or services. Also, partnerships might permit the blending of your organization's core competencies or leadership capabilities with the complementary strengths and capabilities of partners. Successful internal and external partnerships develop longer-term objectives, thereby creating a basis for mutual investments and respect. Partners should address the key requirements for success, means for regular communication, approaches to evaluating progress, and means for adapting to changing conditions. In some cases, joint education and training could offer a cost-effective method for employee development.

Agility

Success in globally competitive markets demands agility—a capacity for rapid change and flexibility. E-business requires and enables more rapid, flexible, and customized responses. Businesses face ever-shorter cycles for the introduction of new/improved products and services, as well as for faster and more flexible response to customers. Major improvements in response time often require simplification of work units and processes and/or the ability for rapid **3** changeover from one process to another. Cross-trained and empowered employees are vital assets in such a demanding environment.

A major success factor in meeting competitive challenges is the design-to-introduction (product or service initiation) or innovation cycle time. To meet the demands of rapidly changing global markets, organizations need to carry out stage-to-stage integration (such as concurrent engineering) of activities from research or concept to commercialization. All aspects of time performance now are more critical, and cycle time has become a key process measure. Other important benefits can be derived from this focus on time; time improvements often drive simultaneous improvements in organization, quality, cost, and productivity.

Focus on the Future

In today's competitive environment, a focus on the future requires understanding the short- and longer-term factors that affect your business and marketplace. Pursuit of sustainable growth and market leadership requires a strong future orientation and a willingness to make long-term commitments to key stakeholders—your customers, employees, suppliers and partners, stockholders, the public, and your community. Your organization's planning should anticipate many factors, such as customers' expectations, new business and partnering opportunities, employee development and hiring needs, the increasingly global marketplace, technological developments, the evolving e-business environment, new customer and market segments, evolving regulatory requirements, community and societal expectations, and strategic moves by competitors. Strategic objectives and resource allocations need to accommodate these influences. A focus on the future includes developing employees and suppliers, doing effective succession planning, creating opportunities for innovation, and anticipating public responsibilities.

Managing for Innovation

Innovation means making meaningful change to improve an organization's products, services, and processes and to create new value for the organization's stakeholders. Innovation should lead your organization to new dimensions of performance. Innovation is no longer strictly the purview of research and development departments; innovation is important for all aspects of your business and all processes. Organizations should be led and managed so that innovation becomes part of the learning culture and is integrated into daily work. Innovation builds on the accumulated knowledge of your organization and its employees. Therefore, the ability to capitalize on this knowledge is critical to managing for innovation.

Management by Fact

Organizations depend on the measurement and analysis of performance. Such measurements should derive from business needs and strategy, and they should provide critical data and information about key processes, outputs, and results. Many types of data and information are needed for performance management. Performance measurement should include customer, product, and service performance; comparisons of operational, market, and competitive performance; and supplier, employee, and cost and financial performance. Data should be segmented by, for example, markets, product lines, and employee groups to facilitate analysis. Analysis refers to extracting larger meaning from data and information to support evaluation, decision making, and improvement. Analysis entails using data to determine trends, projections, and cause and effect that might not otherwise be evident. Analysis supports a variety of purposes, such as planning, reviewing your overall performance, improving operations, change management, and comparing your performance with competitors' or with "best practices" benchmarks.

A major consideration in performance improvement and change management involves the selection and use of performance measures or indicators. *The measures or indicators you select should best represent the factors that lead to improved customer, operational, and financial performance. A comprehensive set of measures or indicators tied to customer and/or organizational performance requirements represents a clear basis for aligning all processes with your organization's goals.* Through the analysis of data from your tracking processes, your measures or indicators themselves may be evaluated and changed to better support your goals.

Social Responsibility

An organization's leaders should stress responsibilities to the public, ethical behavior, and the need to practice good citizenship. Leaders should be role models for your organization in focusing on business ethics and protection of public health, safety, and the environment. Protection of health, safety, and the environment includes your organization's operations, as well as the life cycles of your products and services. Also, organizations should emphasize resource conservation and waste reduction at the source. Planning should anticipate adverse impacts from production, distribution, transportation, use, and disposal of your products. Effective planning should prevent problems, provide for a forthright response if problems occur, and make available information and support needed to maintain public awareness, safety, and confidence. For many organizations, the product design stage is critical from the point of view of public responsibility. Design decisions impact your production processes and often the content of municipal and industrial waste. Effective design strategies should anticipate growing environmental concerns and responsibilities.

Organizations should not only meet all local, state, and federal laws and regulatory requirements, but they should treat these and related requirements as opportunities for improvement 4 "beyond mere compliance." Organizations should stress ethical behavior in all stakeholder transactions and interactions.

Highly ethical conduct should be a requirement of and should be monitored by the organization's governance body. Practicing good citizenship refers to leadership and support— within the limits of an organization's resources—of publicly important purposes. Such purposes might include improving education and health care in your community, environmental excellence, resource conservation, community service, improving industry and business practices, and sharing nonproprietary information. Leadership as a corporate citizen also entails influencing other organizations, private and public, to partner for these purposes. For example, your organization might lead or participate in efforts to help define the obligations of your industry to its communities. Managing social responsibility requires the use of appropriate measures and leadership responsibility for those measures.

Focus on Results and Creating Value

An organization's performance measurements need to focus on key results. Results should be used to create and balance value for your key stakeholders—customers, employees, stockholders, suppliers and partners, the public, and the community. By creating value for your key stakeholders, your organization builds loyalty and contributes to growing the economy. To meet the sometimes conflicting and changing aims that balancing value implies, organizational strategy should explicitly include key stakeholder requirements. This will help ensure that plans and actions meet differing stakeholder needs and avoid adverse impacts on any stakeholders. The use of a balanced composite of leading and lagging performance measures offers an effective means to communicate short- and longer-term priorities, monitor actual performance, and provide a clear basis for improving results.

Systems Perspective

The Criteria provide a systems perspective for managing your organization and its key processes to achieve results—performance excellence. The seven Baldrige Categories and the Core Values form the building blocks and the integrating mechanism for the system. However, successful management of overall performance requires organization-specific synthesis, alignment, and integration. Synthesis means looking at your organization as a whole and builds upon key business requirements, including your strategic objectives and action plans. Alignment means using the key linkages among requirements given in the Baldrige Categories to ensure consistency of plans, processes, measures, and actions. Integration builds on alignment so that the individual components of your performance management system operate in a fully interconnected manner.

A systems perspective includes your senior leaders' focus on strategic directions and on your customers. It means that your senior leaders monitor, respond to, and manage performance based on your business results. A systems perspective also includes using your measures, indicators, and organizational knowledge to build your key strategies. It means linking these strategies with your key processes and aligning your resources to improve overall performance and satisfy customers. Thus, a systems perspective means managing your whole organization, as well as its components, to achieve success.

Glossary of Key Terms:

This Glossary of Key Terms defines and very briefly describes terms used throughout the Showcase in Excellence Awards and Criteria that are important to understand as you move through this criteria. As you may have noted, key terms are presented in blue type and underlined whenever they appear in this material. Partial definitions are provided when you place your mouse over the word (and your “ScreenTips” function is enabled); full definitions are available on the AQA Website: http://66.34.99.24/SQA_Program/glossary.htm

Alignment

The term “alignment” refers to consistency of plans, processes, information, resource decisions, actions, results, and analysis to support the key organization goals. Effective alignment requires a common understanding of the purposes and goals. It also requires the use of complementary measure and information for planning, tracking, analysis, and improvement at three levels: the organizational level, the process level, and the work unit level.

Analysis

The term “analysis” refers to an examination of facts and data to provide a basis for effective decisions. Analysis often involves the determination of cause-effect relationships. Overall process analysis guides the management of that process toward achieving the key business results and toward attaining strategic objectives. Despite their importance, individual facts and data do not usually provide an effective basis for actions or setting priorities. Effective actions depend on an understanding of relationships, derived from analysis of facts and data.

Benchmarks

The term “benchmarks” refers to processes and results that represent best practices and performance for similar activities, inside or outside an organization’s industry. Organizations engage in benchmarking to understand the current dimensions of world-class performance and to achieve discontinuous (non-incremental) or “breakthrough” improvement. Benchmarks are one form of comparative data. Other comparative data include industry data collected by a third party (frequently industry averages), data on competitor’s performance, and comparisons with similar organizations in the same geographic area.

Core Values

The Criteria are built upon the following set of interrelated Core Values and Concepts:

Visionary leadership, customer-driven excellence, organizational and personal learning, valuing employees and partners, agility, focus on the future, managing for innovation, management by fact, social responsibility, focus on results and creating value, systems (process) perspective.

These core values and concepts are embedded beliefs and behaviors found in high-performing organizations. They are the foundation for integrating key business requirements within a results-oriented framework that creates a basis for action and feedback. These core values and concepts form the basis for the Showcase in Excellence Awards and Criteria, and can be found in more detail on earlier pages.

Customer

The term “customer” refers to actual and potential users of the organization’s products and services. Customers include the end users of your products and services, as well as others who might be the immediate purchasers of your products or services, such as wholesale distributors, agenda, or companies that further process your product as a component of their product. These Criteria address customers broadly, referencing current customers, future customers, as well as customers of your competitors.

Cycle Time

The term “cycle time” refers to the time required to fulfill commitments or to complete tasks. Time measurements play a major role in the Criteria because of the great importance of time performance to improving competitiveness. “Cycle time” refers to all aspects of time performance. Cycle time improvement might include time to markets, order fulfillment time, delivery time, changeover time, customer response time, and other key measures of time.

Defects

The term “defects” refers to the absence, deficiency, fault, imperfection, or blemish of one or more criteria that is important to your product or service as defined by the customer. Defects are the outcome of “things gone wrong” within an organization’s processes. As quality is defined within these criteria as customer-driven, so are defects. Therefore, defects can be described as related to anything undesirable in your product or service that is of importance to your customers.

How

The term “how” refers to the processes that an organization uses to accomplish its mission requirements. In responding to “how” questions in this application and criteria document, descriptions should include information such as your approach (methods, techniques, and measures), deployment (where and to what appropriate extent is the approach used), learning, and integration factors.

Integration

The term “integration” refers to the harmonization of plans, processes, information, resource decisions, actions, results, and analysis to support key organization-wide or process-wide goals. Effective integration goes beyond alignment and is achieved when the individual components of a performance management system for the organization, system, or individual process operate as a fully interconnected whole.

Key

The term “key” refers to the major or most important elements or factors, those that are critical to achieving your intended outcome. This application and criteria, for example, refer to key influences, key challenges, key measures, etc. These refer to those that are most important to the organization’s success. They are essential elements for pursuing and monitoring the desired outcome of the profiled process.

Level

The term “level” refers to the numerical information that places or positions a result and performance on a meaningful measurement scale. Performance levels permit evaluation relative to past performance, projects, goals, and appropriate comparisons.

Measures and Indicators

The term “measures and indicators” refers to numerical information that quantifies input, output, and performance dimensions of processes, products, services, and the overall organization as applicable. Measure and indicators might be simple (derived from one measurement) or composite (derived from multiple or combined measurements). This application and criteria does not make a distinction between measures and indicators. However, some users of these terms prefer to use the term indicator (1) when the measurement relates to performance but is not a direct measure of such performance (e.g., the number of complaints is an indicator of dissatisfaction but not a direct measure of it) and (2) when the measurement is a predictor (“leading indicator”) of some more significant performance (e.g., increased customer satisfaction might be a leading indicator of market segment share gain).

Mission

The term “mission” refers to the overall function of an organization. The mission answers the question, “What is this organization attempting to accomplish?” The mission might define customers or market served, distinctive competencies, or technologies used.

Performance

The term “performance” refers to output results and their outcomes obtained from processes, products, and services that permit evaluation and comparison relative to goals, standards, past results and other organizations. Performance might and can be expressed in both non-financial and financial terms.

Process

The term “process” refers to linked activities with the purpose of producing a product or service for a customer (user) within or outside of the organization. Generally, processes involve the combination of people, machines, tools, techniques, and materials in a defined series of steps or actions to produce an intended output. In some situations, processes might require adherence to a specific sequence of steps, with documentation (sometimes formal) of procedures and requirements, including well-defined measurement and control or evaluation steps. In many service situations, particularly when customers are directly involved in the service, process is used in a more general way, i.e., to spell out what must be done, possibly including a preferred or expected sequence. If a sequence is critical, the service needs to include information to help customers understand and follow the sequence. Service processes involving customers also require guidance to the providers of those services in handling contingencies related to customers’ likely or possible actions or behaviors. In knowledge work such as strategic planning, research, development, and analysis, process does not necessarily imply formal sequences of steps. Rather, process implies general understanding regarding competent performance such as timing, options to be included, evaluation and reporting. Sequences might arise as part of these understandings. In the scoring system used for the Showcase in Excellence Award, process achievement level is assessed. This achievement level is based on four factors that can be evaluated for any process: Approach, Deployment, Learning, and Integration.

Productivity

The term “productivity” refers to measures of the efficient use of resources. Although often applied to single factors such as staffing (labor productivity), machines, materials, energy, and capital, the productivity concept applies as well to the total resources used in producing outputs. The use of an aggregate measure of overall productivity allows a determination of whether the net effect of overall changes in a process – possibly involving resource tradeoffs – is beneficial.

Results

The term “results” refers to output and outcomes achieved by an organizational process in addressing the requirements of a Showcase in Excellence item. Results are evaluated on the basis of current performance; performance relative to appropriate comparisons; the rate, breadth, and importance of performance improvements; and the relationship of results measures to key organizational performance requirements.

Rework

The term “rework” refers to the necessity to do a process step or sequence of process steps over again, usually because the step or sequence was not completed properly the first time, producing a substandard output or outcome (product or service), sometimes called a defect.

Segment

The term “segment” refers to a part of an organization’s overall customer, market, product line, or employee base. Segments typically have common characteristics that can be logically grouped. In Item 2.0, Process Results, the term refers to disaggregating results data in a way that allows for meaningful analysis of an organization’s or process’ performance. It is up to each organization to determine the specific factors that it used to segment its customers, markets, products, and employees – and why.

Trends

The term “trends” refers to numerical information that shows the direction and rate of change for an organization’s or process’ results. Trends provide a time sequence of organizational or process performance. A minimum of three data points generally are needed to begin to ascertain a trend. More data points are needed to define a statistically valid trend. The time period for a trend is determined by the cycle time of the process being measured. Shorter cycle times demand more frequent measurement, while longer cycle times might require longer time periods before meaningful trends can be determined.

Value

The term “value” refers to the perceived worth of a product, service, process, asset or function relative to the cost and to possible, viable alternatives.

Values

The term “values” refers to the guiding principles and behaviors that embody how the organization and its people are expected to operate. Values reflect and reinforce the desired culture of the organization. Values support and guide the decision making of every employee, helping the organization accomplish its mission and attain its vision in an appropriate manner. Examples of values might include integrity and fairness in all interactions, exceeding customer expectations, valuing employees and diversity, protecting the environment, and attaining performance excellence every day.

Vision

The term “vision” refers to the desired future state of your organization. The vision describes where the organization is headed, what it intends to be, or how it wishes to be perceived in the future.