

# Lions and Tigers and Category 4 – Oh My!

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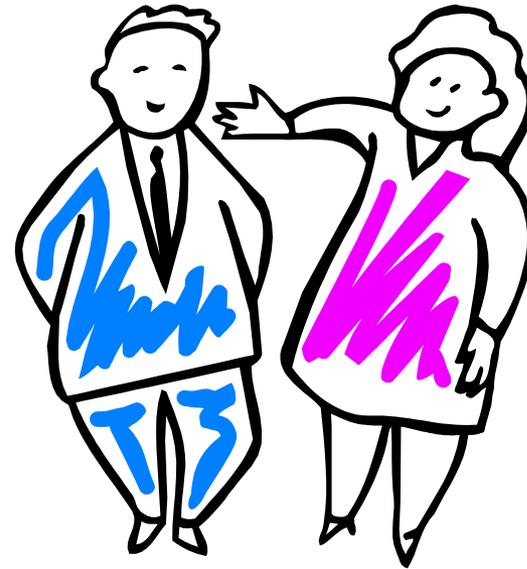
# Lions, and Tigers, and Category 4: Oh My!

## Presentation Objectives

- Understand the relationship of Category 4 to the overall systems framework of the Criteria
- Learn how measurement systems and performance reviews can bring focus and alignment to deliver enhanced value and fuel continuous improvement
- Identify key attributes of data integrity critical to good decision making
- Explore ways to enhance knowledge management to retain organizational learning

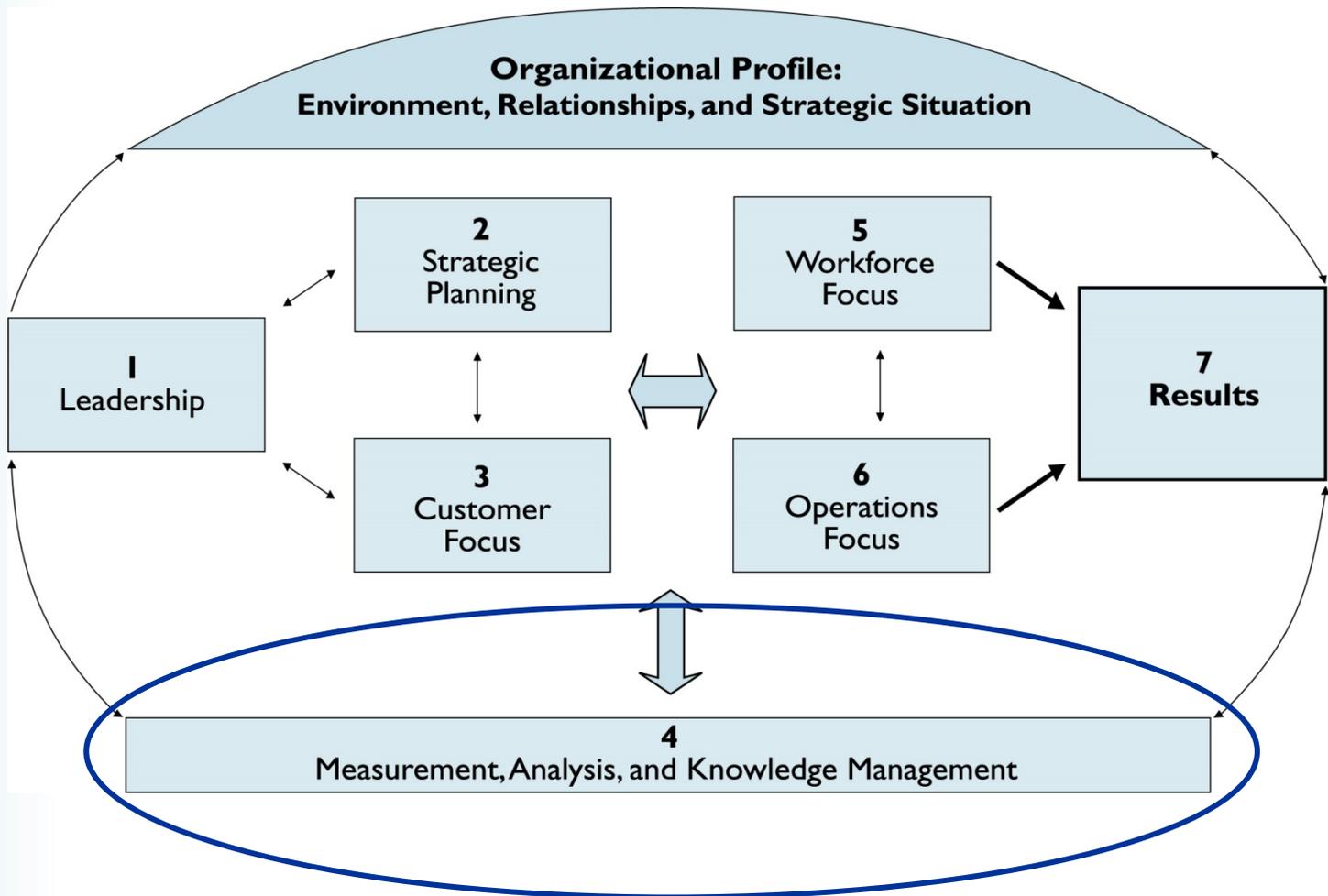
# Getting to Know You

- Sectors
- Applicants
- Examiners
- Why you're here!





# Baldrige Criteria Framework: A Systems Perspective





## Category Point Values

1	Leadership	120
2	Strategic Planning	85
3	Customer Focus	85
4	<b>Measurement, Analysis, and Knowledge Management</b>	<b>90</b>
5	Workforce Focus	85
6	Operations Focus	85
7	Results	450
	<b>TOTAL POINTS</b>	<b>1,000</b>



## Category 4 – 2011-2012 Criteria

### 4. Measurement, Analysis, and Knowledge Management (90 pts.)

*Addresses Analysis, Review, and Improvement of Organizational Performance and Management of Data, Knowledge, and Information Resources*

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

# Category 4 – 2013-2014 Criteria

## 4. Measurement, Analysis, and Knowledge Management (90 pts.)

*Analysis, review, and improvement of organizational performance*

*Management of information, knowledge, and information technology*

4.1 Measurement, Analysis, and Improvement of Organizational Performance (45 pts.)

4.2 Knowledge Management, Information, and Information Technology (45 pts.)

**New and Improved!**

## What Changed – Item 4.1

- Now asks about the use of VOC, market, and aggregated complaint data, as well as customer data gathered through **social media** → Why? To support decision making and **innovation**.



## What Changed – Item 4.2

- Changed the Item Title
- Places a primary focus on knowledge management and organizational learning → Why? Key components of organizational sustainability.



## A Reorganization in Item 4.2

- Describe how your organization manages and grows its knowledge assets and learns. Describe how you ensure the quality and availability of the data, information, software, and hardware needed by your workforce, suppliers, partners, collaborators, and customers.
- a. Organizational Knowledge
  - (1) Knowledge Management
  - (2) Organizational Learning
- b. Data, Information, and Informational Technology
  - (1) Data and Information Properties
  - (2) Data and Information Availability
  - (3) Hardware and Software Properties
  - (4) Emergency Availability

# What's New in the Glossary?

- Intelligent Risks



- Strategic Opportunities

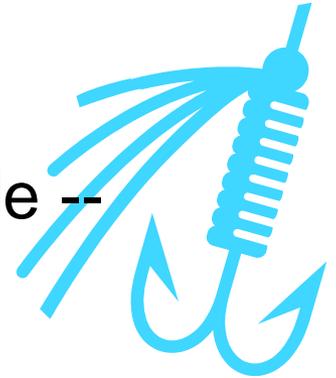
A common misunderstanding...

"Category 4 is the IT category."



# Relationship to the Systems Framework

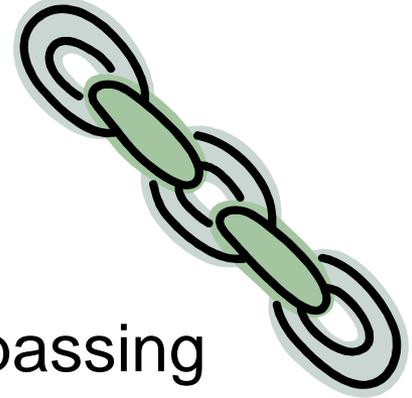
- “Hooks” into the Organizational Profile --  
Implicit
  - Main products and services
  - Key customer and stakeholder groups and their key requirements
  - Major technologies
  - Regulatory environment (what are you required to measure)
  - Suppliers, partners, collaborators, and distributors



# Relationship to the Systems Framework

- “Hooks” into the Organizational Profile --  
Explicit
  - Sources of comparative and competitive data
  - Key business, operational, and human resource strategic challenges and advantages
  - Elements of your work process management
  - Elements of your performance improvement system, including your evaluation and learning process

## Other Linkages



- Key measures for meeting and surpassing regulatory and legal requirements – 1.2b(1)
- Key measures for addressing risks associated with your products and operations – 1.2b(1)
- Key measures for enabling and monitoring ethical behavior in your governance structure, throughout your organization... 1.1b(2)
- Key performance measures or indicators— 2.2a(5)

## Other Linkages (concluded)

- Performance measures for workforce factors of health, security, and workplace accessibility – 5.1b(1)
- Key performance measures and in-process measures used to control and improve your work processes. How these measures relate to en-product quality and performance – 6.1b(1)
- Measure and evaluation your suppliers' performance – 6.2b
- Organizational performance results reported in Items 7.1 through 7.6

# Common Problems with Performance Measures

- Too many (and heavily focused on the financials)
- Used to assign blame rather than identify opportunities for improvement
- Create both intended *and unintended* consequences
- *Lack operational definitions held constant*
- *Trailing (reactive) rather than leading (proactive) indicators*

## Common Problems with Performance Analysis and Review

- Insufficient (or just plain wrong) data analysis is conducted, leading to bad decisions.
- Root cause(s) identification is minimal with activity accepted in the place of corrective action.
- Correlation is confused with causality.
- Work is a (cross-functional) process. Many reviews are conducted in silos or in executive-land.
- Special cause action is taken for common cause variation. (“tampering”)

## Some Ideas...

- Eliminate some metrics/reviews and see if anyone notices
- Ask the questions of “necessary?” and “sufficient?”
- Cascade measures to create top-to-bottom alignment and reinforce focus on the critical few
- Don't leave your SPC on the “factory floor”
- Make adverse trends or poor performance visible
  - Yes, sometimes format matters!
- Consider combining reviews to
  - Minimize duplication
  - Increase collaboration
  - Ensure the right participation



## Attributes of Data “Integrity”

- Timely
- Accurate – truly reflective of the underlying process performance
- Aggregated when appropriate, disaggregated when more meaningful
- Compared against appropriate, relevant comparisons
- Presented in a way to permit proper interpretation

Trusted for decision making

## Knowledge Management

What the heck does this  
have to do with  
measurement, analysis,  
and information  
technology?

A lot!

## “Knowledge Assets”

- The accumulated intellectual resources of your organization.
- In the form of information, ideas, learning, understanding, memory, insights, cognitive and technical skills, and capabilities
- Not held only by an organization but within its customers, suppliers, and partners
- The know-how that your organization has available to use, invest, and grow.
- Key components of creating value for your stakeholders and sustaining a competitive advantage

Adapted from the Glossary of the 2013-2014 Criteria for Performance Excellence

Information, ideas, learning, understanding, memory, insights, cognitive and technical skills, and capabilities...

How dependent are your measurement systems, analyses, and performance reviews and IT system on these?

(I thought so!)

## Why is Knowledge Management Hard?

- A culture of “knowledge is power” (or job security)
- No recognition or reinforcement for knowledge re-use
- Knowledge assets not explicitly valued until departing or departed
- The exponential growth of knowledge assets
- Excessive fear around sharing intellectual property with customers, suppliers, partners, and collaborators

## Some More Ideas...

- Start in a focused area – say, measurement, analysis, and performance reviews
- Document the process(es) with the key players
- Probe for the “tricks” and “traps”
- Develop a mentoring system for these processes
- If sufficiently large number of participants, create a community of practice
- Where possible through automation, embed business rules
- Benchmark with other organizations



## Key Excellence Indicators: Measurement, Analysis, and Knowledge Management

- Creates a balanced composite of measures tied to needs, strategy, and goals
- Collects and uses data to determine trends, projections, and cause and effect
- Uses performance analyses in decision making, improvement, and innovation
- Maintains and safeguards information systems

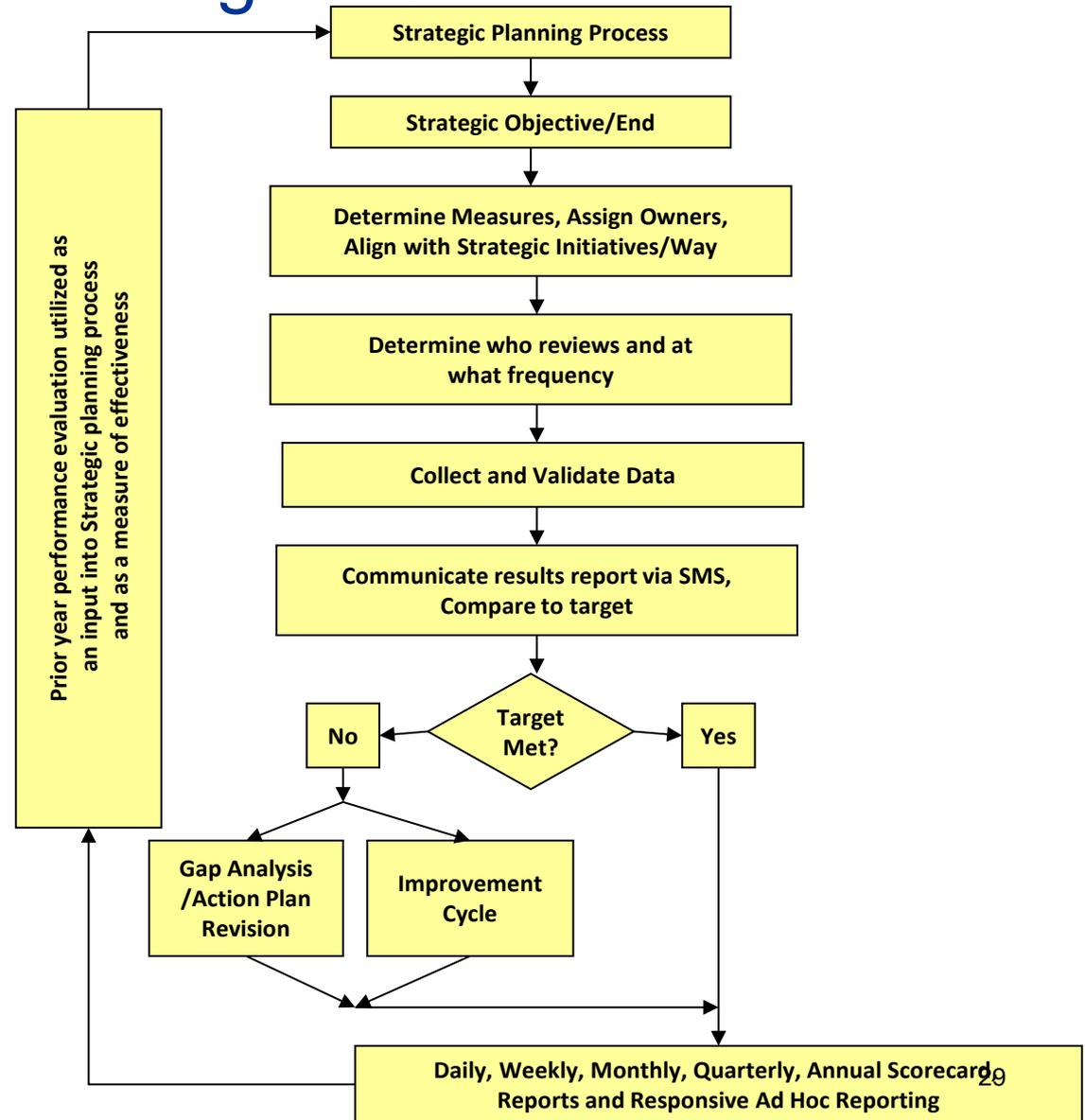


## Key Excellence Indicators: Measurement, Analysis, and Knowledge Management

- Shares and transfers critical knowledge
- Provides knowledge needed for work, improvement, and innovation
- Leverages knowledge of workforce, customers, suppliers, collaborators, and partners
- Captures and shares knowledge to drive innovation

# ARDEC: Measurement, Analysis, and Knowledge Management

- Ensures that performance aligns and supports strategy
- Ownership assigned
- Basis for fact-based decision making
- Comparative data drive performance





# Coral Springs: Measurement, Analysis, and Knowledge Management

**Organizational Mission and Values**

**Strategic Priorities**

**Key Intended Outcomes**

**Departmental Objectives**

**Process Measures**

**Incentive Pay System Performance Agreement**



## Coral Springs: Measurement, Analysis, and Knowledge Management

- Key Intended Outcomes (33 measures)
- Composite Index (10 indicators)
- Performance standards
  - With contractors
  - Internal service-level agreements
- Process scorecards
- Individual work plans

## Resources for Getting Started

- Harvard Business Review on Measuring Corporate Performance (paperback from Harvard Business School Press) copyright 1998
- Measuring Performance: Using the New Metrics to Deploy Strategy and Improve Performance by Dr. Bob Frost, copyright 1998
- Understanding Variation: The Key to Managing Chaos by Dr. Donald J. Wheeler, copyright 1993
- New Performance Measures by Brian H. Maskell, copyright 1994

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## Questions?

- Thank you!

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