Quality Management Results

Results

- "If you don't drive your business, you will be driven out of business."

  B.C. Forbes

Results

- **1 Leadership**
- **2 Strategic Planning** → **'leadership triad'**
- **3 Customer and Market Focus**
- **4 Measurement, Analysis, and Knowledge Management**
- **5 Workforce Focus**
- **6 Process Management** → **'results triad'**
- **7 Results**

Results

- ## 7.0 Results
  - ### 7.1 Product and Service Outcomes
    - What are your product and service performance results?
      - Summarize your organization's key product and service performance results.
      - Segment your results by product and service types and groups, customer groups, and market segments, as appropriate. Include appropriate comparative data.

Results

- 7.0 Results
  - 7.2 Customer-Focused Outcomes
    - What are your customer-focused performance results?
      - Summarize your organization's customer-focused results, including customer satisfaction and customer-perceived value.
      - Segment your results by product and service types or groups, customer groups, and market segments, as appropriate. Include appropriate comparative data.

Results

- ## 7.0 Results

  - ### 7.3 Financial and Market Outcomes

    - #### What are your financial and market results?

      - Summarize your organization's key financial and marketplace performance results by customer or market segments, as appropriate. Include appropriate comparative data.

Results

- **7.0 Results**
  - **7.4 Workforce-Focused Outcomes**
    - What are your human resource results?
      - Summarize your organization's key human resource results, including work system performance and employee learning, development, well-being, and satisfaction.
      - Segment your results to address the diversity of your workforce and the different types and categories of employees, as appropriate. Include appropriate comparative data.

Results

- 7.0 Results
  - 7.5 Process Effectiveness Outcomes
    - What are your organizational effectiveness results?
      - Summarize your organization's key operational performance results that contribute to the improvement of organizational effectiveness.
      - Segment your results by product and service types and groups and by market segments, as appropriate. Include appropriate comparative data.

Results

- ## 7.0 Results
  - ### 7.6 Leadership Outcomes
    - What are your leadership and social responsibility results?
      - Summarize your organization's key governance, senior leadership, and social responsibility results, including evidence of ethical behavior, fiscal accountability, legal compliance, and organizational citizenship.
      - Segment your results by organizational units, as appropriate. Include appropriate comparative data.

Results

- Are we making money with our present focus?
  - This is the section that tempers our actions!

Results

- What business are we really in?

- What are our principle strengths and weaknesses for competing in this business?

- What do we wish to become in the future?

Results

- To remain competitive, an organization needs to know:
  - How well are we doing?
  - How do we know we made the right changes?
  - How do we know our improvements are working?

Results

- How does the organization link their organizational philosophy with the actions their organization takes?

- How does the organization create alignment?

- How are day-to-day activities linked to the overall financial health of the organization?

Results

- What is missing from most strategic management systems is not the planning aspect, but the **implementation** aspect. Implementation requires an effective measurement system to ensure that actions and plans are appropriately linked to the objectives. Effective management systems require measurement systems that enable members of the organization to see where the company is and where it is going.

  » Designing and Installing Effective Performance Measurement Systems, by Hacker and Brotherton

Results

- An effective measurement system links actions and plans to the goals and objectives.

Results

- An effective measurement system answers the question:
  - How do we know?

Results

- An effective measurement system enables an organization to:
  - determine if the activities occurring within the company support the achievement of company goals and objectives
  - determine whether or not those goals and objectives move the organization closer to the stated vision
  - see where the organization is and where it is going.

Results

- Revisiting the Balanced Scorecard
  - Using measurements from four areas integrates the key business measures into a few manageable indicators of performance so that management is able to quickly access the short and long-term health of the organization from several points of view.

Results

- Revisiting the Balanced Scorecard
  - Customer Focus
    - Customer connectivity
  - Internal Processes
    - Internal process efficiency and effectiveness
  - Learning and Growth
    - Individual and group innovation and learning
  - Financial Analysis

Results

- What does the organization value?
  - What does the organization measure?
  - How do they use this information to make decisions and take action?

Results

- Barriers to Installing Measurement Systems
  - Lack of leadership
  - Individuals are fearful of having specific, measurable objectives to achieve

Results

- For Effective Measurement Systems:
  - Leaders must demonstrate their commitment by holding people accountable for measures
  - Leaders must show persistence and perseverance to work through data integrity issues.

Results

- When developing measures consider:
  - What are we measuring now?
  - How is this information being captured?
  - Is the information currently being captured useful?
  - Is the information currently being captured being used?
  - Are these measurements being captured over time?
  - What do we need to know?

Results

- What is an audit?

  - Audits appraise the activities, practices, records, or policies of an organization.

Results

- Audits are designed to determine whether deficiencies exist between actual <u>performance</u> and desired <u>standards</u>.
    - Remember one definition of Quality? – "Conformance to specification?"
        - **Therefore, Audits assure quality!**

Results

- Audits help organizations determine the answers to:
    - Is the company achieving its objectives?
    - Have value-driven improvements been made?
    - Have costs of quality been reduced?
    - Have lead times been reduced?
    - How do the measures of performance measure up?

Results

- Audits help organizations determine the answers to:
  - Are correct procedures being followed?
  - Are new/more applicable method of performance documented and used where applicable?
  - Are records being properly retained and used to solve problems?
  - Are preventive maintenance schedules being followed?
  - Etc.

Results

- Where do Audits focus?
  - Can cover an entire company, a division, or any portion of the processes that provide a product or service
  - Can be focused on product development and design or material procurement or billing or order taking or production…

Results

- ## What types of Audits Exist?
  - Internal process audits
  - ISO audits
  - Financial audits
  - Customer specific audits

- ## In fact, Regulatory "inspections" now becoming audits of processes
  - UL, OSHA, etc

Results

- What types of Audits exist?
  - Internal process audits
    - production design
    - pre-production
    - compliance
    - production
    - supplier-quality system.

Results

- Facilitated meetings
- Observation and Inspection
- Documentation Review
- Analytical review
- Data Analysis
- Process mapping
- Process tracing
- Recalculation & Valuation

- Interviewing
- Scanning
- Reconciliation
- Confirmation or Representation
- Questioning
- Vouching & Verifying
- Surveys

Results

- Auditor –give the audit
  - Gather <u>sufficient</u> evidence to assure conformance and report status
- Auditee – receive the audit
  - Provide <u>just enough</u> evidence to assure conformance
    - "Do you know what time it is?"
  - Respond to report status

- BOTH sides require training

Results

- Conducting an Audit is as simple as

Plan-Do-Study-Act

Results

- **Plan**:
  - Who is to be audited?
  - Who is to perform the audit?
  - What does the audit hope to accomplish?
  - What are the performance measures?
  - Where will the audit be conducted?
  - When will the audit be conducted?
  - How will the audit be conducted?
  - Why is the audit being conducted?

Results

- This is important:
  - Why will the audit be conducted?
    - What do we expect to or hope to learn from the audit?

Results

- Do
  - Conduct the audit

Results

- Study
  - Study the information and look for strengths, weaknesses, and areas for improvement.
  - Create an action plan to deal with the issues
    - Specify the actions
    - Assign responsibilities
    - Provide a time frame

Results

- Act

  - Implement the action plan to strengthen the strengths, eliminate the weaknesses, and make improvements

  - FOLLOW UP!

    - Audits are costly and time consuming, do something with the information!

Results

- How?

  - Leadership

    - Have our leaders been able to focus the organization's efforts on converting policies into actions which have translated to the bottom line?

Results

- How?

  - Strategic Plan

    - Have our leaders created a strategic plan which has translated to positive results on the bottom line?

Results

- How?

  - Customer and Market Focus

    - Has our improved ability to determine the needs and wants of our customers translated into improvements of the bottom line?

Results

- How?

  - Measurement, Analysis, and Knowledge Management

    - Has the information we have gathered, analyzed, disseminated and encouraged the use of enabled us to improve our performance as exhibited by the bottom line?

Results

- How?

  - Workforce Focus

    - Has our personnel policies and reward systems enhanced our performance as exhibited by the bottom line?

Results

- How?

  - Process Management

    - Do our key processes and critical projects support the improvement of the bottom line?

Results

- How?

  - Business Results

    - Have our business results reflected our improvement efforts?

    - Are our measures measuring the right things?

    - Have our business results been used to measure the gap between what we said we would do and what we actually did?