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## Upcoming AQA Events

- Feb 09 - AQA Award Banquet
- TBD - Benchmarking Tour at Avnet
- Apr 19 – Lunch and Learn
- May 02 - Intent to Apply forms due
- May 13 - Examiner Applications due
- July 15 – Award Applications due



## Letter from the Chairman of the AQA Board of Directors

Happy New Year! I would like to take time to personally thank you all for your continued support of the Arizona Quality Alliance (AQA). As 2010 comes to a close, I would like to congratulate the 2010 Award recipients and I am looking forward to the February 9, 2011 Awards presentation. I would also like to acknowledge and thank all of the examiners who volunteered their time and expertise. I hope you all will return again next year!

In October, we hosted the 18<sup>th</sup> Conference on Performance Excellence at the Chaparral Suites in Scottsdale, AZ. This was an opportunity for local and regional quality and leadership individuals to get together and learn about leading-edge best practices from prestigious Malcolm Baldrige National Quality Award recipients, such as Poudre Valley Health System, Iredell-Statesville Schools, and Honeywell, FM&T. The keynote presentation, Fearless Leadership by Dr. Loretta Malandro, was energizing and well received.

Lastly, as the Arizona economy continues to struggle, I would like to sincerely thank all of our members and sponsors. Without your continued support, the Arizona Quality Alliance would not continue to prosper. Thank you for your continued support of the AQA and your commitment to quality improvement!

A handwritten signature in black ink that reads "Jean Hammelev".

Jean Hammelev BS CT(ASCP) MBA/HCM  
 Executive Director – Program Office & Quality  
 Sonora Quest Laboratories  
 Laboratory Sciences of Arizona  
[Jean.hammelev@bannerhealth.com](mailto:Jean.hammelev@bannerhealth.com)

*"I strongly encourage leaders of Arizona organizations to participate in AQA. I'm confident that it will strengthen their organization's awareness of quality performance, enhance their competitive market position, and bring new insights on how other companies outside their industry are raising the bar on quality."*

**-David A. Dexter,  
 President & CEO,  
 Sonora Quest  
 Laboratories.**

## Congratulations to the 2010 Performance Excellence Award Recipients

The Arizona Quality Alliance announces the recipients of the 2010 Arizona Performance Excellence Award Program.

The annual Arizona Performance Excellence Award Program recognizes Arizona organizations for excellence in quality and performance. The program, modeled after the Malcolm Baldrige Award criteria, provides not only an opportunity for recognition, but also valuable feedback on where an organization is positioned on the quality continuum.

"I am encouraged greatly by the heightened demonstration of best practices and innovation occurring in Arizona's private and public sectors as highlighted by the Performance Excellence Awards," said **Don Cardon, President and CEO of the Arizona Commerce Authority**. "Each of these accomplishments highlights the focus on efficiency, productivity, and effectiveness that occurs routinely in Arizona – innovations that will provide significant global impact and add to the international recognition concerning the quality of Arizona's operating environment."



"Training and networking with Arizona Quality Alliance and other award winning facilities that value quality and performance excellence is exhilarating and powerful. The application process, the site survey and recognition for process excellence has created a positive synergy to showcase our entire facility. As a recipient of the Arizona Quality Alliance showcase award, we are looking forward to the association and the benefits that come from the knowledge and experience of other AQA Award recipients."

**-Polly Hrenchir, Clinical Director of Women's Services, Scottsdale Healthcare**

## Congratulations to the 2010 Performance Excellence Award Recipients – cont-



Recipients for the 2010 Performance Excellence Award Program are:

### Pioneer Award for Quality:

- \* **Scottsdale Healthcare**

### Showcase in Excellence Awards:

- \* **Banner Desert Medical Center** – *“Strategies to Eliminate the Progression of Severe Irreversible Sepsis”*
- \* **The Boeing Company**– Rotorcraft Division – Mesa – *“Consumable Supply and Hand Tool Delivery Process”*
- \* **The Boeing Company**– Rotorcraft Division – Mesa – *“Distribution Center Operations Flow and Cycle Time Reductions”*
- \* **The Council on Chiropractic Education**– *“Site Team Academy Development”*
- \* **Deer Valley Unified School District** – *“Hiring the Best”*
- \* **Laboratory Sciences of Arizona at Banner Del Webb Medical Center Laboratory** - *“Emergency Department Urinalysis Testing Turnaround Time”*
- \* **Maricopa County Animal Care and Control** – *“Uno por Uno”*
- \* **Maricopa County Correctional Health Services** – *“Centralized Medical Supply System”*
- \* **Maricopa County Public Works Facilities Management Division** – *“Preventative Maintenance Process”*
- \* **TriWest Healthcare Alliance** – *“Monitoring Clinical Staff Production and Inventory”*
- \* **University of Phoenix** - *“Online Faculty Certification Process”*



## Congratulations to the 2010 Performance Excellence Award Recipients - cont

AQA is proud to continue its efforts in assisting Arizona organizations to achieve operational excellence. We are celebrating the 18<sup>th</sup> anniversary of the Arizona Performance Excellence Award Program, formerly called the Arizona State Quality Awards Program, one of the best methodologies available to develop a higher level of organizational performance.”

The Governor’s Award for Quality honors organizations that have achieved sustained excellence, have mature and fully-deployed quality systems within their operations, have demonstrated a commitment to continuous improvement, and have achieved a sustained significant record of performance.

The Pioneer Award for Quality honors organizations that have established and deployed fundamental quality systems within their operations, attaining commendable levels of performance excellence process implementation, and has a solid approach for implementing quality in place.

The Showcase in Excellence Award recognizes organizations for specific process excellence. This program allows organizations to focus on each of the processes and build toward a complete quality implementation. Organizations may apply for any organizational process they believe is exceptional, and are encouraged to relate the process to one of six categories aligned with the Baldrige criteria: Leadership; Strategic Planning; Customer Focus; Measurement, Analysis and Knowledge Management; Workforce Focus, or Process Management.

Awards will be presented at a banquet to be held from 11:30am-1:30pm on Wednesday, February 9, 2011 at the Chaparral Suites Resort, 5001 N. Scottsdale Road. Additional information about the Awards is available at [www.arizona-excellence.com](http://www.arizona-excellence.com) or by calling 480-874-5815.

Applications for the 2011 program will be available in March 2011.

## AQA Performance Excellence Award Program

### Looking ahead to the 2011 cycle of the Arizona Performance Excellence Award Program:

Tentative deadline dates are:  
 May 2<sup>nd</sup> – Intent to Apply forms due  
 May 13<sup>th</sup> – Examiner Applications due  
 July 15<sup>th</sup> – Award Applications due

2011 forms and application documents will be available in late February to mid March on the AQA website: [www.arizona-excellence.com](http://www.arizona-excellence.com). The 2010 forms are currently still posted. These can provide basic information. There will be some changes from 2010 to 2011.



Pioneer Award



Showcase Award

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“I cannot advocate for the Arizona Performance Excellence Award program strong enough. The value to participants, both volunteer Examiners and Applicants, is beyond the ability to calculate. The knowledge and skills gained through participation will be used for years to come to improve individual and organizational performance.”

-Steve Novak, PPR  
 Management Services, HI

## Are You Lighting Fires Or Getting Burned?



**Get involved!** Contact AQA today and let us help you to help yourself. You'll make great business contacts and increase your personal skills while helping AQA achieves its mission!"

The 2011–2012 [Criteria for Performance Excellence](#) have just been released. One new concept introduced is “intelligent risk.” While it is mentioned only in item notes and item descriptions, I believe it is an important concept for all leaders and all organizations to consider as a key factor in organizational sustainability. It is essential in achieving innovation. As a matter of fact, in a study of innovative organizations conducted 20 years ago, Charles Hampden Turner reported (*Charting the Corporate Mind*, New York: The Free Press, 1990, p. 17) that managers identified two critical elements for innovation: (1) support for risk taking and change and (2) tolerance of mistakes.

The lesson from this study and others is that discouraging risk taking and potentially rewarding risk avoidance (an unconscious practice of many organizations) also discourages and hampers innovation and progress. Properly encouraged, risk is thus a source of opportunity and sustainability—not, as many think, a source strictly of potential danger. Hence, the concept of *intelligent* risk becomes important to organizational sustainability and to an organization’s senior leadership as a sustainability factor.

A good operational definition of an intelligent risk might be “an opportunity where the potential gain outweighs the harm or loss that could impact the organization’s sustainability if the opportunity is not explored.” Inherent in the concept is a strategic decision on resources to commit and also knowing if the risk has reached a point in exploration where more resources should be committed or resources should be pulled because results indicate that the harm may now be greater than the benefit. Of course, the organization can never reach this point if it is so averse to risks that it never makes the initial commitment.

This brings me to my title for this post and “lighting fires”! A simple [analogy for intelligent risk is how one considers fire](#). If individuals avoid fire completely (being risk-averse), they will have a cold home, cold showers, and lots of cold food. If they use fire effectively (taking an intelligent risk), it will make their lives better and more comfortable. If they use fire recklessly and in an uncontrolled fashion (taking an unintelligent risk or being a daredevil), they will get burned and lose their assets. Can you find your organization’s position on the “fire scale”?

Hopefully, this discussion has convinced readers that intelligent risk is a key to value creation. But where does intelligent risk end and organizational daredevil behavior begin? How much risk is it intelligent for an organization to take? Are you prepared to take intelligent risks? I believe the answers to these questions depend on numerous factors. Here are some of the factors I would consider: Do you have an innovation process and talent that is nurtured to take the risk?

- How much risk is the organization *able* to take, and how much is it actually taking currently?
- Are you in a technology- and innovation-driven industry where survival depends on significant investment?
- Are you in an industry where being the innovator would clearly set you apart?
- Would a lack of innovation and risk taking harm the sustainability of your organization?
- Do you have an innovation process and talent that is nurtured to take the risk?
- Do you understand your market position and market potential? What is needed to grow or sustain your position or potential?

## Are You Lighting Fires Or Getting Burned? - Cont

- Do you have the risk management structure to oversee and control resource allocation?
- Do you communicate with customers, suppliers, and partners and know their trajectories?
- Is your organization regularly getting burned by stretching resources? Is that stretch necessary for survival?
- Is your organization “eating cold food” and frozen in place? Will you be frozen out of the marketplace in the future?

I am sure my list is not exhaustive. I will give people an opportunity to share their thoughts in an upcoming Blogrige entry. Please give the topic some thought and contribute to a dialogue.

Let me conclude this month's column by promoting an intelligent risk I believe all organizations should take (actually, there is no risk involved). That is, become active in your [state or local Baldrige-based program](#) or the Baldrige Program by having someone in your organization serve as an examiner, and bring that knowledge back to your strategic planning process. The online application for becoming a [Baldrige examiner](#) is now open. Finally, let me wish everyone a happy holiday season and a healthy, prosperous, and insightful New



Dr. Harry Hertz, Director  
Baldrige Performance Excellence Program

## AQA Mission Statement

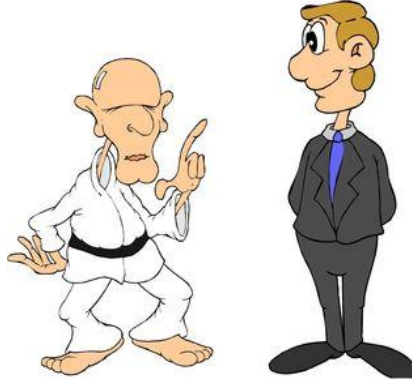
**The Arizona Quality Alliance** is an alliance of organizations that promotes and recognizes performance excellence. To achieve our mission we will:

1. Administer the Performance Excellence Awards Program based on the Malcolm Baldrige Criteria; and annually recognize, showcase, and highlight outstanding achievement in performance excellence.
2. Train individuals to become experts at assessing and evaluating, entire organizations or individual processes - using the Criteria for Performance Excellence.
3. Facilitate programs so organizations can find and implement proven best practices to achieve a competitive advantage.
4. Provide organizations with a comprehensive, cost effective performance analysis with extensive feedback based on the Malcolm Baldrige criteria.
5. Create and deliver cutting edge workshops and seminars that will develop the skills and knowledge of performance excellence professionals.
6. Provide a dynamic environment for professional networking and knowledge sharing.

## The “Skinny” on Baldrige versus Lean

By Bob Fangmeyer

The Examiners did a fine job on this feedback even though it is not a recipient this year. Their feedback has confirmed some of my thoughts about this application and I am pleased to see the Examiners did such a thorough job! They held true to the criteria.”  
**2010 Applicant**



I have heard it a hundred times--while standing in our booth at a conference, responding to a general inquiry from our customer service line, after presenting an overview of Baldrige to an audience with varying degrees of interest, even when talking to friends and family-- "Yeah, my organization looked into that Baldrige stuff in the 80's and early 90's. We have moved into Lean Six Sigma because we think it is a better fit for our organization."

Of course as soon as I begin explaining how Baldrige and Lean Six Sigma are not only compatible but very complimentary the eyes glaze over and lose focus, searching for another place to be. (Apparently I need to work on a snappy rejoinder, maybe something like "Oh yeah!? Well Lean might use cool Japanese terms like kanban and kaizen but people tell us we have our own language: Baldrigese!"). OK- so it needs a little work...

Actually, maybe I should just refer them to a fantastic discussion started by Regina Pontes that is occurring on the LinkedIn Baldrige Improvement Discussion Group: [Baldrige and other quality programs/tools](#). (You need to be a member of [LinkedIn](#) and then you need to join the [discussion group](#), but registration is simple and it is free.) In the discussion you will hear from Lean Six Sigma experts, Baldrige experts, and some that are both. What I hope you walk away with is a better understanding of how Baldrige provides the framework that can help ensure organizations that utilize Lean Six Sigma do so in such a way that optimizes their entire system and their ability to achieve organizational objectives rather than "merely" streamlining key processes and eliminating rework. Baldrige does not prescribe a particular tool or methodology, instead we support and encourage the use of a variety of performance improvement tools to address and improve the outcomes of not only traditional customer-focused and production processes, but your leadership, strategic planning, and workforce-focused processes as well.

So join in the discussion and share your thoughts here around how Lean and Baldrige go together like walnuts and brownies, peas in a pod, or maybe some other metaphor that comes to mind.

## Volunteerism



Volunteerism is a key component to many companies' philanthropic and community affairs programs. Metro Phoenix companies are using a growing number of methods to support, encourage, coordinate and facilitate the volunteer efforts of their employees.

### **Congratulations to the 2010 Finalists that are also members of the Arizona Quality Alliance**

Most Outstanding Company Project (Large Sized Business: 500+ employees)

- Intel Corporation
- University of Phoenix

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"I've always felt that the personal commitment and unselfish efforts of the AQA have helped in creating an environment of opportunities for organizations and companies by providing a forum and venue to improve their internal Quality Performance processes." - **Glenn Oka, Raytheon**

## Best Places to Work rounded up in Phoenix

### *Phoenix Business Journal*

Valley businesses rounded up the best of employers as part of the Phoenix Business Journal's Best Places to Work. The event honored Phoenix-area firms for their work providing employees with solid foundations.

**AQA Member Banner Health** was recognized in the "extra-large" business category as was **Sonora Quest Laboratories/Laboratory Sciences of Arizona** in the "large" business category. – Congratulations!

## Sponsors



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We're on the Web!

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## Thank you to Companies who Sponsored and Supported the AQA! In 2010!

**Arizona Correctional Industries – In-kind printing**

**Arizona Manufacturing Extension Partnership (AZMEP) – In-kind office space and infrastructure**

**Banner Health Systems – In-kind meeting space**

**Blue Cross Blue Shield of Arizona (BCBS) – Supporting Sponsor**

**Boeing Company – Partnering Sponsor and in-kind tax preparation services**

**CBIZ Mayer Hoffman McCann – Partnering**

**Intel Corporation – AQA/Intel Mentoring Program**

**Rio Salado College – In-kind training/meeting space & AV equipment**

**Scottsdale Healthcare – Supporting Sponsor**

**Scottsdale Unified School District – In-kind training/meeting space**

**Sonora Quest Laboratories – Partnering Sponsor, in-kind training/meeting space & printing**

**The Performance Management Group – Partnership in Training**

**TriWest Healthcare Alliance – Supporting Sponsor**

**University of Phoenix – In-kind training space**

## Thank you to Individuals who Supported the AQA through Volunteerism in 2010:

**The AQA Board of Directors –** listed on the cover of this newsletter

**The Technical Integrity Council –** Clarissa Allen – Harland Clarke, Frank Bouchard – Bouchard Quality Mgmt Inc., Judy Barker – L-3 Communications, Carla Carter – Carla Carter & Associates, Gloria Diaz – Arizona Game and Fish Department, Keith Dompier – Intel Corp, Susie Duffy – Scottsdale Healthcare, Ellen Ermer – John C. Lincoln Healthcare, Wayne Foraker – University of Phoenix, Carole Haney – The Boeing Company, Chuck Harrington – S & B Technical Products, Jane Humble – ASU Polytechnic, Sandy Kube – Deer Valley Unified School District, Susan Rudel – Laboratory Sciences of Arizona

**Trainers –** Judy Barker – L-3 Communications, Frank Bouchard - Bouchard Quality Management, Carla Carter – Carla Carter & Assoc., Barbara Chatzkel – New River Group, Gloria Diaz – AZGF, Keith Dompier – Intel Corp., Susie Duffy – Scottsdale Healthcare, Ellen Ermer - John C. Lincoln, Jean Hammelev – Sonora Quest Laboratories, Sandra Kube - Deer Valley Unified School District, Gerald Taylor – The Performance Management Group

**Conference Committee –** Michael Cavanaugh – TriWest, Gloria Diaz – AZGF, Ellen Ermer – John C. Lincoln, John O'Connell - Bristol Global, Glenn Oka – Raytheon, Sandi Terry – BCBS.