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AQA Quality Quarterly

Arizona Quality Alliance (480) 874-5815

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Letter from the Chairman of the AQA Board of Directors

I would like to welcome you to the third edition of the Arizona Quality Alliance's Quarterly Newsletter! We are very pleased to be able to present you with up to date information on our organization and the benefits we offer to Arizona businesses.

As you are aware, many Arizona based companies have been negatively impacted by the economic downturn and the Arizona Quality Alliance (AQA) has not

been spared. The Arizona Quality Alliance's continued sustainability is now in question. We have experienced a decrease in organizational memberships as a number of members have chosen not to renew their membership due to their own economic challenges. In order to sustain the AQA we are focusing our efforts on retaining our current membership, recruiting new members and sponsors, and

promoting local support for AQA sponsored workshops.

In addition, the Board of Directors met in September for the annual Strategic Planning session. The main focus of the session involved evaluating new business models and new strategies for our organization to enable us to navigate through these turbulent economic times.

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Letter from the Chairman of the AQA Board of Directors – cont-

Sonora Quest Laboratories joined the AQA in 2004 and currently supports the organization as a Partnering Sponsor. Many of you may have interacted with Sonora Quest Laboratories in the past. I am hoping you will see the value that membership has brought to our company and that you will consider supporting the Arizona Quality Alliance through new or continued membership and/or

sponsorship and by attending upcoming AQA sponsored workshops.

Please take a look at the attached linked information and consider continued and/or new membership in our organization. The two links that you can access to learn more about the Arizona Quality Alliance as well as membership/sponsorship opportunities are below: <http://arizona-excellence.com/membership.htm>

<http://arizona-excellence.com/>

Thank you for taking the time to consider supporting the Arizona Quality Alliance.

Jean Hammelev

Jean Hammelev BS
CT(ASCP) MBA/HCM
Executive Director of Quality
Sonora Quest Laboratories
Laboratory Sciences of
Arizona
<mailto:jean.hammelev@bannerhealth.com>

Get involved! Contact AQA today and let us know how you'd like to help. You'll make great business contacts and increase your personal skills while helping AQA achieve its mission!"

"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.

AQA Performance Excellence Award Program

Sixteen examiners were fully trained and are set to go out on applicant site visits within the next couple of weeks. Consensus reports are complete and forwarded to the Panel of Judges who will be trained in October and meet in November to review the scoring and final feedback reports for the applicants. Applicants will be notified by mid-December and recipients announced to the public.

Thank you to a tremendous team of expert volunteers:

Examiners: Rodger Adair – Univ. of Phoenix, Asad Adeli – Ventana Medical System, Jonathon Andell – Self-Representing, Chrys Anderson – Scottsdale Healthcare, Judith Barker – L-3 Communications, Cheryl Berklich – Performance Management Group, Doris Chu – Intel Corp., Susan Duffy – Scottsdale Healthcare, TJ Edwards - Rio Salado College, Ellen Ermer – Scottsdale Medical Imaging, Wayne Foraker – Univ. of Phoenix, Sandra Kube – Deer Valley Unified School District, Deep Mane – ON Semiconductor, James Penick – US Postal Service, Susan Rudel – Laboratory Sciences of Arizona / Sonora Quest Laboratories, Genevieve Winters – Rio Salado College

Lead Examiners: Judith Barker – L-3 Communications, Cheryl Berklich – Performance Management Group, Susan Duffy – Scottsdale Healthcare, Ellen Ermer – Scottsdale Medical Imaging, Susan Rudel – Laboratory Sciences of

Arizona / Sonora Quest Laboratories.

Mentors: Barbara Chatzkel – New River Group, Cindy Gruben – Banner Health, Jill Howard – Banner Health, Kim Hunsinger – JCL Healthcare Network

Site Visit Monitors: Keith Dompier, - Intel Corp., Gary Iverson – Intel Corp.

Trainers: Carla Carter – Carla Carter & Assoc., Gloria Diaz – AZGF, Keith Dompier – Intel Corp., Jane Humble – ASU Polytechnic, Kim Hunsinger – John C. Lincoln Healthcare Network, Gary Iverson – Intel Corp.

Judges: Cheralyn Beaudry – Scottsdale Healthcare, Sylvia Bushell - BodhiCare™, Gloria Diaz – AZGF, Donn Fisher - MSQPC - The Quality Center, Jane Humble – ASU Polytechnic, Chris Lockwood - Northern Arizona University, Cynthia Sabelhaus – Raytheon

2009 Baldrige Regional Conference

Learn about best practices and performance strategies in all seven Baldrige Criteria Categories:

- Leadership
- Strategic Planning
-

Customer/Market/Student/S takeholder/Patient Focus

- Measurement, Analysis, and Knowledge Management
- Workforce Focus
- Process Management
- Results.

Event Summary

The 2009 Baldrige Regional Conferences provide an in-depth opportunity to learn about the best practices and results of both the 2008 Baldrige Award recipients

and former Award recipients. **Who Should Attend:** CEOs; senior managers; education, health care, and government/nonprofit leaders and professionals; directors of staff functions; heads of operating units; and quality/performance improvement practitioners.

Conference Schedules: Each conference is scheduled for 8:00am – 5:00 pm with a continental breakfast from 7:00am-8:00am.

[Register Now!](#)

October 2, 2009
Cambridge, MA

Hyatt Regency Cambridge

Hyatt Regency Cambridge, Cambridge, MA

Rooms have been reserved at the special conference rate of \$229 (single or double). To receive the conference rate, please reserve by September 7, 2009. To make reservations, call 888-421-1442 and reference the Baldrige Regional Conference.



The Regional Conference
Oct 2, 2009

Volunteerism



Please join the *Phoenix Business Journal*, HandsOn Greater Phoenix, and Blue Cross Blue Shield of Arizona, along with University of Phoenix and Avnet, as we shine a spotlight on those making a difference in our community

Tuesday, November 10, 2009 5:30pm - 8:30pm

Virginia G. Piper Theater at the Scottsdale Center for the Performing Arts \$75 per person

Announcing the 2009 Finalists: that are members of the AQA.

“AQA salutes you”!

Community Stewardship:

Rudy Hacker, Intel

Corporate Volunteer Program of the Year:

The Boeing Company

Volunteer Executive of the Year:

Al Maag, Avnet, Inc.

Volunteer Spirit:

Priscilla Kadi, Avnet, Inc.

Upcoming AQA Events

Upcoming AQA Events

- February 2, 2010 – Awards Recognition Banquet
- AQA Conference on Excellence – 10/12/10



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ARIZONA MANUFACTURING EXTENSION PARTNERSHIP

The Arizona Manufacturing Extension Partnership

(AZMEP) proudly works in partnership to enhance productivity and profitability for businesses in Arizona. Performance Excellence methodologies combined with AZMEP training will help you sustain and grow a competitive advantage. Many of the successful strategies used in highly competitive industries can now be deployed across other business sectors, including health care, financial services, and insurance. These AZMEP courses, designed for your business, are proven cost-cutters:

Principles of the Lean

Office 101: This course improves an organization's productivity, quality, on-time performance and safety while reducing costs and raising employee morale.

Participants learn in an interactive environment that teaches lean thinking, including recognizing non value-added work, understanding value streams, and identifying the eight wastes of productivity and lead time and reports.

Administrative Value

Stream Mapping: *Value Stream Mapping* is a tool for streamlining work and work processes, cutting lead times and reducing overhead. Participants will develop skills to analyze business

processes from both the perspective of the process and the customer. This is an essential skill for identifying problem areas and creating a plan to improve business operations.

Lean Six Sigma Black & Green Belt Service: By combining the strengths of today's two most important business practice initiatives – Lean and Six Sigma – into one integrated program, these courses demonstrate how to increase productivity and quality, while keeping improvement tied to business strategy. Participants will learn how to 1) achieve major cost and lead time reductions

in less than a year; 2) compress order-to-delivery cycle times; 3) improve process consistency and eliminate waste throughout an organization contents of the story and draw readers into the story. Develop the headline before you write the story. This way, the headline will help you keep the story focused.

For more information on how these programs can reduce costs, strengthen your business, and help improve your bottom-line and grow your top line, please contact Arizona MEP

"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**

www.arizonamep.org - (480) 874-9100

1-800- MEP-4MFG

Arizona MEP provides training, technical assistance, and onsite improvement implementation. All services are competitively priced and customized to fit the way your company operates.

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TECHNOLOGY SOLUTIONS
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Wayne Foraker of University of Phoenix elected to Alliance for Performance Excellence Board of Directors



Wayne Foraker, a 15-year Senior Director with University of Phoenix has been elected to a 3-year term on the Alliance for Performance Excellence Board of Directors. According to Tina Shoemaker, FACHE Chair, Governance Committee for the Alliance, Mr. Foraker's election was announced on September 13, 2009 at the Alliance's Board of Directors' meeting in Milwaukee and was "well received."

Mr. Foraker's term begins

with the Annual Meeting, which will be scheduled in January 2010. The Alliance for Performance Excellence is a nonprofit network of state, and local Baldrige-based award programs. Members of The Alliance contribute over \$30 million annually to economic competitiveness by assisting organizations in all industries on their journey to excellence.

The Arizona Quality Alliance is the state organization that trains examiners and administers the Performance Excellence Award Program in Arizona. Mr. Foraker is an examiner for the Arizona Quality Alliance, where he also serves on the Technical Integrity Council. Mr. Foraker also serves as the public member for the Arizona State Board of Dental Examiners and is an

active member in the National Consortium for Continuous Quality Improvement in Higher Education.

Currently, Mr. Foraker is spearheading continuous quality improvement initiatives for the University of Phoenix by providing leadership in the implementation of state and national Continuous Quality Improvement (CQI) models within his organization.

Mr. Foraker can be contacted at <mailto:wayne.foraker@phoenix.edu> or 480.557.3285



Learn. Share. Connect.

Advancing the Success of State Baldrige-Based Award Processes

Intel Mentoring Program



AQA / Intel Mentoring Program

Approximately 25 people came together to learn about the Mentoring opportunity provided by Intel in partnership with the AQA.

Rudy Hacker, Sr. Manager Operational Excellence for Intel described the program and selection process.

Engagement Summary:

Intel provides Qualified instructors/facilitators on established topics and skills

Course outline and draft materials, printing if agreed to
Depending on the scope of the event consider additional support
Partner organization would provide
Clear compelling problem statement
Background on the issue and organization, set the context
Support for teaching/facilitating – specifically
Both share the responsibility to
Ensure training supports a stated need for the organization and drives to a

root cause solution
Transfer the learning's into the organization
Support marketing of results and activities in appropriate venues
If you are interested in submitting a proposal, go to [Mentoring Proposal click here](#) to complete the form.
Proposals are due by October 9th.

"Intel Quality Volunteers ... Working together to bring quality to communities"

"Any organization in Arizona serious about improving the way they do business needs to keep apprised of what's happening at AQA."

-James S. Luby, Vice President, Quality & Lean Enterprise, Boeing Mesa Quality"

Journey to Excellence: How Baldrige Health Care Leaders Succeed

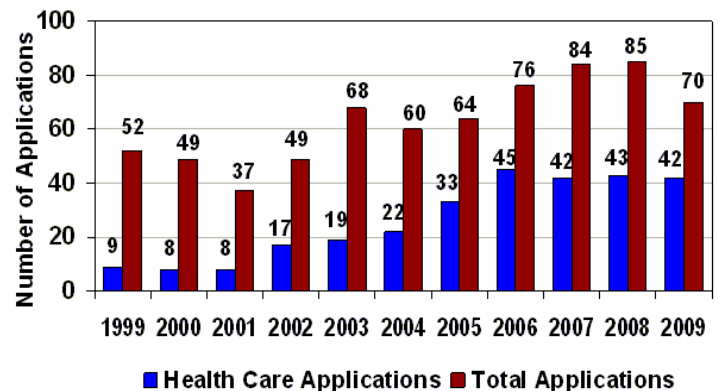


Kathleen J. Goonan, MD, Joseph A. Muzikowski, and Patricia K. Stoltz

For the last several years, the number and percentage of health care organizations applying for the Baldrige Award have been high compared to other sectors. This year, 60 percent of all national award applicants come from health care (see Figure 1). In 2007, the last year for which we have complete data, 130 health care organizations applied for state-level Baldrige-based excellence awards. This interest level probably represents the “tip of the iceberg” of users of the Criteria.

Figure 1 - Trend in Baldrige Award Applications

Why are so many health care leaders exploring Baldrige? Over the last decade, the U.S. health care system has endured mounting scrutiny and declining public trust, prompted and publicized evidence of far reaching problems in safety, patient experience, and efficiency of care. Health care leaders face complex challenges – shrinking reimbursements, rapidly emerging safety and quality standards, expanding transparency on performance metrics, non-payment for “never events,” workforce shortages and waning morale and escalating Consumer demands. These leaders are searching for a means to build more sophisticated operational systems that will enable them and their organizations to move beyond fighting fires and effectively meet these complex challenges. We took a deep dive into the experiences of the nine organizations from the health care sector that have received the Baldrige Award to understand how and why they used the Baldrige Criteria. From that research, we distilled the common elements of their success, which are described in detail in our book *Journey to Excellence: How Baldrige Health Care Leaders Succeed*. We came to appreciate that for all nine organizations, Baldrige was far more than an award. It served as their roadmap, a comprehensive blueprint for building organization-wide competencies to address the challenges facing their organizations. These leaders were looking for a comprehensive solution to meeting and overcoming the following strategic challenges:



- Redesigning health care to comply with rapidly changing standards and expectations
- Building new ways of leading and managing the key work processes of the organization
- Moving from managing dozens of improvement projects to leading the organization as a holistic entity.

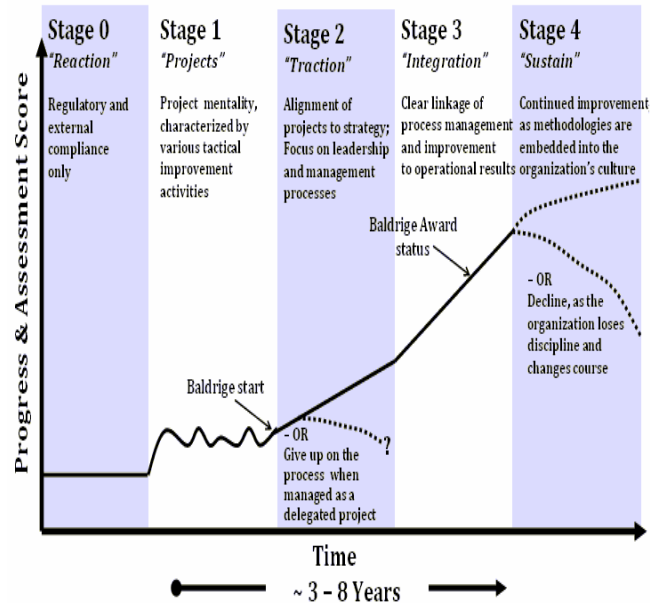
The Journey

Organizations that embrace the Baldrige framework typically describe their transformation as a “journey.” Although all nine Baldrige health care recipients had their own unique circumstances and cultures, we found several universal themes in their experience. First, we found that there were stages of the journey common to all these organizations (see Figure 2)

Figure 2 - Stages of the Baldrige Journey

We call the first stage, Stage 0, the *Reaction Stage*. This is where many organizations live, quite naturally, given the pressures and speed of change they face. They are focused primarily on compliance: responding to the ever-growing list of demands to measure this, demonstrate that, or change particular practices and behaviors.

A focus on improving performance by launching improvement projects characterizes Stage 1, the *Projects Stage*. Seeking to improve proactively, organizations deploy improvement methodologies, such as Plan-Do-Check-Act, Lean, Six Sigma, or home-grown models and tools, often training large segments of the workforce for their use on the front line. These tool sets are invaluable, and organizations routinely using them experience some real gains. Projects alone, however, prove insufficient to create the system of interdependent processes and the organizational culture necessary for dramatic improvement in performance. Often organizations become overwhelmed by the number of projects and programs consuming resources but without a clear linkage to strategy. It becomes difficult to sustain the gains made.



Baldrige recipients found that they needed something else to align and integrate improvement activity, that is, to hardwire improvement and sustain the gains being made while moving to a higher level of performance overall. As Saint Luke's CEO, Rich Hastings, told us, "We needed a comprehensive business model, an integrated system to evaluate how well we do what we do. Baldrige is the only organizational tool available to do that, to help us align everything we were doing."

Baldrige provided a framework to diagnose their strengths and gaps in operational capability. Periodically evaluating and improving their approaches to leading and managing enabled the nine recipient organizations to hardwire their approaches and oversee improvement across the enterprise. We called this the *Traction Stage*, or Stage 2. They began to break down silos and barriers to cross-functional work. Their Baldrige feedback identified clear, actionable gaps in their culture and leadership and management approaches, such as leaders' communication, strategic planning, performance measurement, and transfer of best practices.

Addressing feedback, whether from their Baldrige or state applications, gave them a disciplined approach to becoming more competent in each Baldrige Category. Over time, these organizations grew increasingly process literate: they understood and systematically measured, managed, and improved their key processes of leadership and management as well as their front-line work processes. With increasing process literacy, they were able to improve organizational alignment and the connections across Categories, improving the entire system. We called this the *Integration Stage*.

The LASER Model

We also discovered that a set of fundamental practices focused these organizations and accelerated their journey. These practices were common across all the Baldrige health care recipients, although they manifested themselves in different ways in each organization. We called these five practices the LASER model, an acronym for the five elements:

- Leadership
- Assessment
- Sensemaking
- Execution
- Results

The LASER practices represent the five strategic building blocks that form the foundation for transformation using Baldrige. Nested within each practice is a group of common approaches. For example, in Leadership, we noted that in every Baldrige health care recipient organization, senior leaders:

- *Made a personal commitment to lead their organizational transformation* - For example, at Mercy Health System, a 2007 Baldrige recipient, CEO Javon Bea personally led training programs to orient staff to the Baldrige Criteria and to explain why the organization was using Baldrige to improve performance. This reinforced to the staff that this was not just an effort to win an award, but the way to transform the organization's performance.
- *Aligned people at multiple levels to the organization's vision, mission and values* - Poudre Valley Health System, a 2008 Baldrigerecipient, established standing Performance Excellence Teams aligned with the Baldrige Criteria to drive its improvement agenda. All the other Baldrige health care recipients used similar cross-functional structures, either as standing teams or as ad hoc groups to develop their applications and address the gaps identified in their feedback reports.
- *Fostered a culture focused on organizational learning and improvement* - After SSM Health Care won the Baldrige Award in 2002, CEO Sister Mary Jean Ryan made sure that SSM would maintain momentum by requiring every hospital in the system to participate in their state Baldrige-based award program.
- *Continually motivated, inspired and engaged their entire workforce* - Sharp HealthCare, a 2007 Baldrige recipient, has the broad celebrate success and renew commitment to Sharp's mission and vision, a fun-filled event featuring the CEO's State-of-Sharp message.
- *Built a results focus and processes for driving personal and organizational accountability* - All Baldrige health care recipient organizations have a defined cascade approach to planning and measurement to make sure employees' personal goals and actions are aligned with the organization's strategy.

Good to Great author Jim Collins characterized "the Baldrige process as a powerful set of mechanisms for disciplined people engaged in disciplined thought and taking disciplined action to create great organizations that produce exceptional results." The Baldrige health care recipients discovered benefits they value far more than the Award, building cultural attributes and leadership competencies so deeply engrained that they can be sustained beyond the tenure of any individual leader. These leaders successfully transformed their organizations into high-performing systems capable of delivering quality and safety, engaging their workforce in building strong relationships with the patients they serve, and producing results that allow them to stay ahead of the enormous pressures in their industry.

About the authors:

Kathleen Jennison Goonan, MD, is the executive director of the MGH Center for Performance Excellence, a Baldrige-based consulting group within the Massachusetts General Hospital/Partners Institute for Health Policy in Boston. Prior to founding the center with David Blumenthal, MD, in 2002, Kate spent twenty years as a health care executive, including senior vice president, Institute for Healthcare Improvement; vice president of quality, UMass Memorial Health Care; and senior vice president, Blue Cross Blue Shield of Massachusetts. She has served on the Panel of Judges, Malcolm Baldrige National Quality Award (2000-02), and as a judge for the AHA McKesson Quality Award and the JCAHO Codman Award. She is a member of ASQ.

Joseph A. Muzikowski is a senior consultant at the MGH Center for Performance Excellence. He is a member of the Board of Governors for Quality Texas and has been a member of the Board of Examiners for the Malcolm Baldrige National Quality Award for sixteen years. He also serves as a judge for the Veterans Administration Carey Award program. Joe is an ISO 9000 lead auditor and a Six Sigma master black belt.

Patricia K. Stoltz is a senior consultant at the MGH Center for Performance Excellence. She was formerly a leader in quality improvement at Henry Ford Health System in Detroit. She has been a member of the Board of Examiners, Malcolm Baldrige National Quality Award, for ten years (1999-2004, 2006-09). During the mid-1990s she helped draft and pilot the first Baldrige Criteria for Performance Excellence for the health care sector. She also serves on the Panel of Judges for the Michigan Quality Leadership Award.

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Banner Health Systems – In-kind meeting space

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The Phoenix Business Journal – In-kind advertising space in the List of Books

TriWest Healthcare Alliance – Supporting Sponsor

University of Phoenix – In-kind training space

Thank you to Individuals who support the AQA through volunteerism:

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

The Technical Integrity Council – Carla Carter - Carla Carter & Associates, Gloria Diaz - AZGF, Keith Dompier – Intel Corp., Ellen Ermer – Scottsdale Medical Imaging, Wayne Foraker, - University of Phoenix, Jane Humble – ASU Polytechnic, Kim Hunsinger – John C. Lincoln Healthcare Network, Gary Iverson – Intel Corp.

Trainers – Carla Carter – Carla Carter & Assoc., Barbara Chatzkel – New River Group, Gloria Diaz – AZGF, Mischa Dick, Healthcare Excellence Institute, Keith Dompier – Intel Corp., Marjorie Green – Healthcare Excellence Institute, Jean Hammelev – Sonora Quest Laboratories, Jane Humble – ASU Polytechnic, Gary Iverson – Intel Corp., Kim Hunsinger – JCL, Carol Schumacher – Schumacher Organizational Solutions,

Gerald Taylor – The Performance Management Group, and Danielle Tomerlin – Sustainability Consultant.

Conference Committee – Michael Cavanaugh – TriWest, Gloria Diaz – AZGF, Ellen Ermer – Scottsdale Medical Imaging, Erica Gibbons – TriWest, Glenn Oka – Raytheon, Jackie Olson – Arrows Path Consulting, Sandi Terry – BCBS.

About Our Organization...

The Arizona Quality Alliance provides the information and opportunities necessary to help your organization succeed - **both financially and operationally.**