

AQA Quality Quarterly

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Upcoming AQA Events

- Sept 26 – Oct 7: Site Visits for Performance Excellence Award Program
- Oct 13: ASQ/AQA Meeting – “Listening: - Problems/Lag Time/Jumping to Conclusions / Interruptions / Listening Exercise”
- Oct 18: Judges’ Training
- Nov 9: Judges’ Meeting
- Nov 10: ASQ/AQA Meeting – “Designing & Deploying Performance Metrics”
- Nov 16: Benchmarking Tour at Scottsdale Healthcare
- Dec 8: ASQ/AQA Meeting



Letter from the Chairman of the AQA Board of Directors

I would like to take time to personally thank you all for your continued support of the Arizona Quality Alliance (AQA). The year is passing by so quickly and we are busy completing site visits for our 2011 Performance Excellence Award cycle. Our examiners have been through a very thorough training and I would like to thank all of our new and returning examiners for all of their efforts. I would like to thank all of the 2011 Performance Excellence Program Award applicants who have submitted applications this year. You should be commended for all of your efforts. We are looking forward to the awards ceremony on February 7, 2012, and I hope to see many of you at this event.

We hope to have more exciting workshops and networking opportunities planned throughout the rest of the year. Please check our website for further information.

Lastly, 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
<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.**



AQA is now providing Baldrige-based Services to Nevada



Nevada



The Arizona Quality Alliance is pleased to announce that the AQA is now providing Baldrige-based evaluations, feedback and recognition services to organizations in the state of Nevada. Individuals in Nevada will now be able to be trained and participate as examiners in Arizona and Nevada.

If you are aware of any companies or organizations in Nevada that can benefit by participating in the Performance Excellence Award Program, please share this information with them or provide the AQA with the organizations contact information.

More information on the Performance Excellence Award Program can be found on our website at: http://arizona-excellence.com/SQA_Program/Awards.htm

Any questions can be directed to Karen Shepard at kshepard@arizona-excellence.com or visit our website at <http://arizona-excellence.com/Nevada.htm>

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
achieve its
mission!"



Member Recognitions



Congratulations to AQA Member Finalists who were recognized in August:

Community Outreach

Jan Dougherty, Banner Alzheimer's Institute

Health Care Volunteer

Clair Gobble, Banner Baywood

Nursing

Angela Allen, Banner Boswell Rehabilitation Center Robert Groves, Banner Health

Physician



"Honoring Arizona's Largest and Fastest Growing Companies"

Congratulations to AQA Members:



David McIntyre, Jr., Founder and CEO



Sonora Quest
Laboratories



Laboratory Sciences
of Arizona

David Dexter, CEO



Intel/AQA Mentoring Program

The Arizona Quality Alliance (AQA) is pleased and proud to continue our partnership with the Intel Corporation for our Mentoring Program.

The Intel Corporate Quality group provides skill-specific volunteers as mentors to small and medium-sized organizations throughout Arizona. Through Intel's "Skills-based Volunteering" Program, Intel Quality employees are matched to organizations based upon their experience, skill sets, passion and certifications. These volunteers provide mentoring and assist organizations with training in quality skills and accomplishment of quality objectives.

2010 - 2011

Six organizations submitted seven proposals in 2010. Seven proposals were accepted and are currently in progress.

Arizona Department of Corrections - "Developing concepts that will provide staff with a new way of thinking that will subsequently result in process improvements and efficiencies for hiring"

Arizona Charter Academy - "Expanding communication and marketing to include social media and to increase brand recognition and attract new students"

Arizona Charter Academy - "Tracking visitors, volunteers and students who come in and out of AZ Charter Academy"

The Council on Chiropractic Education - "Developing meaningful and sustainable processes that capture the voice of the customer"

Gilbert Fire Department - "Establishing an electronic process for EMS patient information"

Maricopa County Facilities Management Department - "Establishing a team that would be trained and dedicated to process improvement"

Mesa Police Department - "Developing a strategy to accelerate the Mesa Police Department culture change initiative"

If you have any questions regarding this program, please call the AQA office at 480-874-5815.

AQA / Intel's Skills-Based Volunteering Program Mentors Arizona Correctional Industries



Arizona Correctional Industries (ACI) is a member of the Arizona Quality Alliance (AQA). As a member, ACI was introduced to an opportunity to participate in a mentorship program with the Intel Corporation that began in January 2010. At the conclusion of the program, in January 2011, we hosted a debriefing of the mentoring program experience at our Central Office location. Below, we have shared a few highlights from the presentation. Although the mentoring period has come to end, the lessons and professional relationship will be life long endeavor.

In summary, the Intel Corporate Quality group has a "Skills-based Volunteering" Program comprised of Intel Quality employees who were matched with our organization based upon their experience, skill sets, and certifications. Bill Hoddy, an Intel Business Quality Engineer was assigned as ACI's mentor. From the beginning, Bill was encouraging, available and a wealth of knowledge. He kept reiterating that we were learning to fish (instead of just being able to eat). Additionally, as a result of the mentoring program, Mr. Hoddy complimented his own mentoring with other Intel professionals to assist with various aspects of our quality program. We are extremely grateful for the assistance provided to us by Doris Chu, Intel Corp Materials Lean Initiatives Manager, who graciously provided training at our Central Office and at the Florence Prison. We also appreciate the work provided by Razaik Singh who was an intern at the time with Intel. Last, but not least, we are indebted to Rudy Hacker, Intel Quality Business Solutions Manager, who's vision for a volunteer program made this program available to us, and who's personal interaction was invaluable. All of these volunteers provided their time and experience to enhance our quality program. *(Cont'd on page 3)*

AQA/Intel Mentoring Program

2009 Approved for Process Improvement Initiative focusing on:

1. Reduce processing time for Returned Material Authorizations (RMA)
2. Reducing the time it takes to generate quotes utilizing our Request for Costs of Manufacture (RCOMs) process

Intel Skills-Based Volunteer Program

- January 2010
 - First meeting convened with participation from various levels of the organization
 - CEO, CFO, Regional VP's, Customer Service, IT, Material Management, Quality



Returned Material Authorization's

- Group Participation to Identify Issues
- Value Stream Mapping of the Process
- Buy in for change
- Pilot change to identify value added

Returned Material Authorization's

Results

- RMA's are .42 % of all sales
- Tracking placed on one system
- Original goal of 30 days for completion
 - January 2010 average was 47 days
 - 2010 overall average was 21 days
- 90 day Pilot Program implemented for approval levels based on cost – later implemented as standard procedure
- Standardized procedure to include weekly electronic notification to involved areas, to include Regional VP's
- 83 % are return customers

Request for Costs of Manufacture

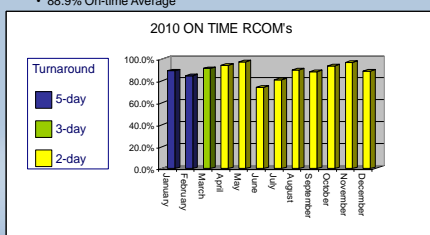
- Group Participation to Identify Issues
- Value Stream Mapping of the Process
- Brainstorming/Buy in for change

Request for Costs of Manufacture

- Original 5 day Turnaround
 - 2009 - 5 Day Turnaround
 - 70 RCOM's Per Month
 - 72.6% On-Time Average
 - March 2010: reduced to 3 days
 - 190 RCOM's for March
 - 91.1% On-time Average
 - April 2010: reduced to 2 days
 - 164 RCOM's per month (April – December)
 - 88.9 On-time Average for 2010

2010 ON TIME RCOM's

- 1,884 RCOM's
- 88.9% On-time Average



Request for Costs of Manufacture

- Enhanced Research & Development
 - Design Approval and Customer Commitment prior to initiating RCOMs
 - Eliminating
 - RCOMs not resulting in sales
 - Reducing late RCOM quotes to customers

Building our Quality Tool Box

- Initial Mentoring Meetings
 - Lean Introduction
 - RAPID Decision Making Process
 - Objective-Status-Issues-Recommendation (OSIR)
- Lean Workshop (to include 5S review)
 - Initial Workshop conducted with Executive Team
 - Second Workshop conducted with Managers and remaining Executive Team, as well as a few ADC staff at ASPC-Florence.
 - Total of 42 trained
- 5S Training conducted on site (Wood Shop) with CEO/GM, Regional VP's and Quality Manager.

AQA / Intel's Skills Based Volunteering Program Mentors Arizona Correctional Industries



Pictured: **Top left:** Assistant Director Bill Branson presenting Community Service Award to Intel Mentoring Program – receiving on behalf of Intel are David Brown, Intel Q & R Customer Director and Stan Miller, Intel QRDC Director; **Bottom left:** Assistant Director Bill Branson presenting Service Award to Doris Chu, Intel Corp Materials Lean Initiatives Manager; **Center:** Group photo at ACI of Intel Debrief of Mentoring Program - members include Intel, AQA Executive Director Karen Shepard, ACI Executives and team members, as well as other businesses who participated in the Intel mentoring program; **Top right:** Assistant Director Bill Branson presenting Service Awards to Bill Hoddy, Intel Business Quality Engineer/ACI Mentor and Rudy Hacker, Intel Quality Business Solutions Manager; **Bottom right:** Intel (Doris Chu and Bill Hoddy) facilitating staff Lean training at the Arizona State Prison Complex-Florence.

As annotated in the slides on page 6, we selected two processes for mentoring:

1. Reducing the time it takes to generate quotes utilizing our Request for Costs of Manufacture (RCOMs) process
2. Reduce processing time for Returned Material Authorizations (RMA).

Quality is not a one time event; therefore, we continue to make strides to improve and monitor the processes. That being said, we gained so much more from this experience than just improving on these processes. We learned that we need a quality tool box that allows us to improve on our quality program utilizing various methods. Some of the specific lessons learned through the mentoring program were:

- Accountability of work flow; tracking both the RCOM and RMA processes
- Educating the team on how to identify problems, disconnects and root cause(s)
- Discuss tracking of processes that are successful and how to apply uniformly throughout the agency
- Determine if successes are sustainable
- Presented Lean Principles to stakeholders and management; challenging the group to identify the seven types of waste in the RCOM and RMA processes, as well as other aspects of our industry (manufacturing, service and even administrative roles)

In closing, the January event allowed ACI to interact with other organizations that participated in the Intel Mentoring program. It was an exceptional opportunity to network, brainstorm and experience quality efforts from a variety of organizations. We were also very pleased to have had AQA Executive Director Karen Shepard attend/speak at the event.



*Advancing the Success of State
Baldrige-Based Award Processes*

Learn. Share. Connect.

The Alliance for Performance Excellence – Radio Shows

Susan Grant, City of Coral Springs, shares "Customer Listening & Learning" Best Practices on PXUSA www.770KKOB.com

Larry Potterfield, Midway USA, shares his passionate message "America Needs Baldrige," www.770KKOB.com

This is the radio station that hosts the Alliance for Performance Excellence radio show hosted by Julia Gabaldon, the director of the New Mexico Quality Program

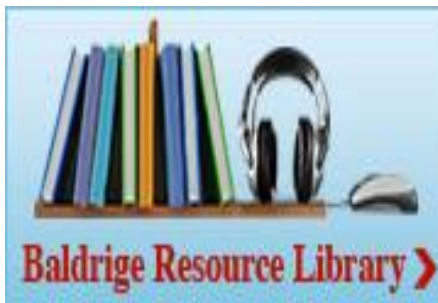
You can listen to a recorded podcast of these programs by accessing the Quality New Mexico website. They will be available in a couple of weeks on their site. <http://qualitynewmexico.org/qnm-radio.shtml>

E-Learning Opportunities

1. **Baldrige Resource Library** – www.baldrigepe.org/brl
(Copy and paste link into new browser)

2. **Online Classes** are available on organizational improvement and performance excellence training through our E-Learning Portal at: <http://alliance.qualitycampus.com/purchase/purchase.asp>. **Some programs are available in Spanish.** Call AQA if you have any questions, (480) 874-5815 or email at aqa@arizona-excellence.com

(Copy and paste links into browser)





Invitation to Host an AQA Benchmarking Tour

Organizations who have received recognition from the Arizona Performance Excellence Program are invited to host a Benchmarking Tour with the AQA. You may spotlight a particular process or your entire organization, depending on what award or recognition you have received, Showcase in Excellence, Pioneer or Governors Award.

The Benchmarking Tour process is outlined by clicking [here](#)

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



There's one thing other Arizona laboratories are missing...

Award-Winning Quality

We applaud the Arizona Quality Alliance for inspiring local businesses to provide the highest-quality services to the residents of Arizona.

Seventy percent of health care decisions include laboratory results. You have a choice in lab services. Please visit www.SonoraQuest.com to learn more about the award-winning laboratory services that we provide and why you should choose Sonora Quest Laboratories.



A Subsidiary of Laboratory Sciences of Arizona



Local Laboratories.
Local Focus.

www.SonoraQuest.com

Arizona Quality Alliance Workshop

11/10/11	ASQ/AQA - Designing and Deploying Performance Metrics	Corporate Office Centers' Phoenix-Tempe Gateway Center 4600 E. Washington St. Suite 300 Phoenix, AZ 85034	6:00 - 8:00 pm	Gerald Taylor, TPMG
11/16/11	AQA Benchmarking Tour at Scottsdale Healthcare	Virginia Piper Cancer Center at Scottsdale Healthcare 10460 N. 92nd St, Ste 206, Scottsdale, AZ 85258	9:00 - 1:00 pm	Cheralyn Beaudry, Scottsdale Healthcare

For more workshops click [here](#)

Thank you to Companies who Sponsor and Support the AQA!

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Group (TPMG)
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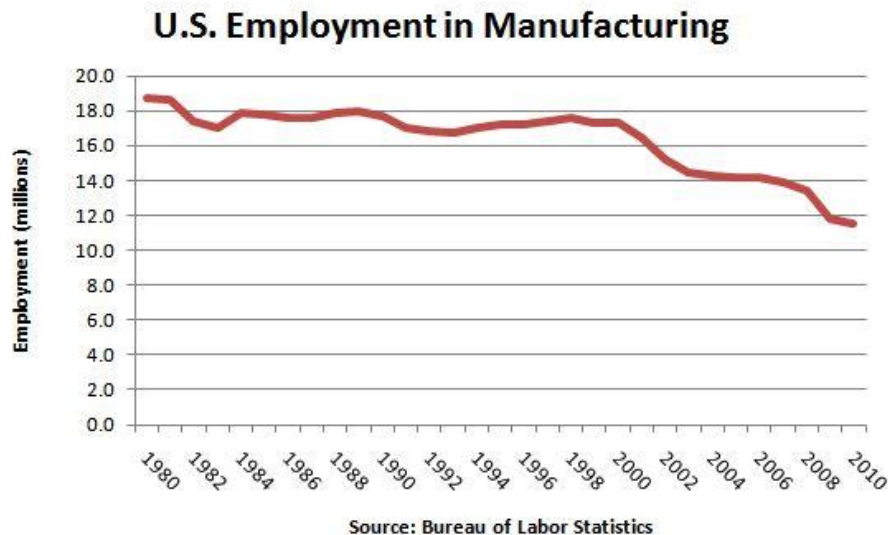
The Boots on the Ground

The Manufacturers' Malaise

Look at this recent bipartisan survey¹ of likely 2012 voters:

- “83% said that doing more to support American manufacturing was one of the most effective or a very effective way to create jobs and improve the economy.”
- “90% of respondents said that strengthening manufacturing in this country is either the most important or a very important issue that Congress and the President should address this year.”

The widespread concern about manufacturing in America, especially in the economic climate of the last several years, reflects the fact that the number of American manufacturing jobs has been declining for years, and the rate of decline has increased sharply since the year 2000.

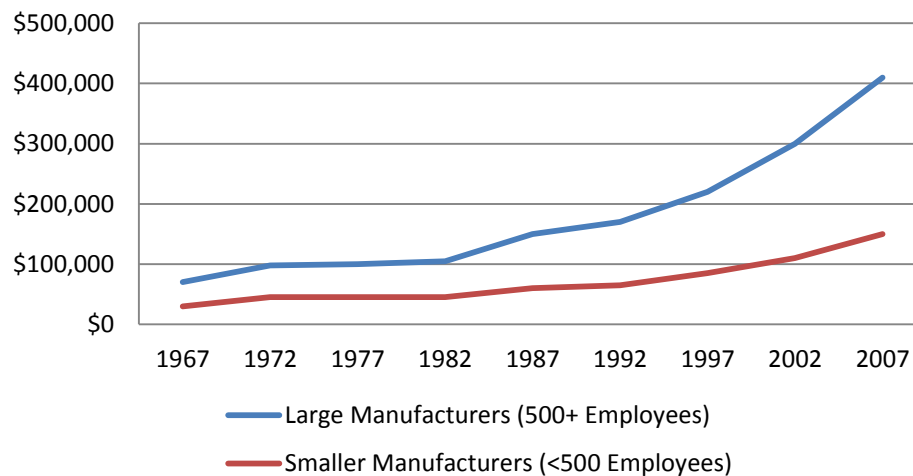


Yes, America has lost about a third of its manufacturing jobs in the last decade. During the same period, around 42,200 factories shut their doors¹. However, the total output of America's factories, stated in constant dollars, has continued to increase!¹ The increase is due to dramatic improvements in labor productivity. American manufacturing productivity leads the world.

Here's the rub: **There is a substantial productivity gap between large manufacturers and smaller manufacturers.** In 2007 (the latest data available), smaller (>500 employees) manufacturers account for nearly 99% of all American manufacturers, about 72% of manufacturing employment and about 60% of the total value-added for all U.S. manufacturers¹. **It is the few large manufacturers that enjoy the productivity advantage, not the many smaller manufacturers who are struggling to compete.**

The existence of the gap makes sense, since productivity improvements result from innovation and from the implementation of new technologies, including business and manufacturing practices as well as equipment. Larger manufacturers are more likely to have access to the human, technical and financial resources necessary to innovate and to implement new technologies than are smaller firms.

The Productivity Gap



So, America's manufacturing advantage lies in its productivity. However, that productivity edge is concentrated in a relatively few large manufacturers, while the great majority of American manufacturers are less productive. Further, many smaller manufacturers are suppliers to larger firms. The large manufacturers rely on smaller firms to meet stringent quality, delivery and cost requirements. **The smaller firms need to close the Productivity Gap.**

Closing the Gap

The survey mentioned earlier points out the obvious: the American people want more manufacturing jobs, and they want the President and the Congress to do something to make that happen. But the biggest opportunity to do that lies with 330,000-odd smaller manufacturing firms with diverse needs, scattered across America.

Fortunately, there are already **Boots on the Ground**. The Manufacturing Extension Partnership (MEP) is a program of the Department of Commerce's National Institute for Science and Technology (NIST). Also a program of the Department of Commerce's National Institute for Science and Technology (NIST) is the Baldrige Program. These programs for the state of Arizona are:

- Arizona MEP – www.arizanamep.org – 480-874-9100
- Arizona Quality Alliance – www.arizona-excellence.com – 480-874-5815

Chuck Harrington

www.JeraSustainableDevelopment.com

Notes and References:

¹ The survey was conducted by The Mellman Group and Ayres, McHenry & Associates on behalf of The Alliance for American Manufacturing. Quoted from the National Institute for Science and Technology's *Manufacturing Innovation Blog*, posted 9 August 2011

¹ Factory closing figure from *The American Prospect*, quoted in *Business Insider*, www.businessinsider.com/deindustrialization-factory-closing-2010-9

¹ There is some dispute over whether the increase in total manufacturing output is real or not. The official Bureau of Labor Statistics figures are used here. The Information Technology and Innovation Foundation (ITIF), an organization that I respect highly, offers an alternative view in *The Case for a National Manufacturing Strategy*, page 18(f), 26 April 2011. That document is available at www.itif.org/p-reports

¹ These figures are from the U.S. Census Bureau, 2007 Economic Census: Manufacturing (November 2010), as cited in the *Delivering Measurable Results to Manufacturing Clients* (March 2011), the 2009 full year report of the Manufacturing Extension Partnership, a service of the National Institute for Science and Technology, part of the U.S. Government Department of Commerce. Download at www.nist.gov/mep/upload/MEP-Measuring-Results-Mar11-FINAL.pdf

¹ Productivity Gap chart data from the U.S. Census Bureau, 2007 Economic Census: Manufacturing (November 2010), as cited in the *Delivering Measurable Results to Manufacturing Clients* (March 2011), the 2009 full year report of the Manufacturing Extension Partnership, a service of the National Institute for Science and Technology, part of the U.S. Government Department of Commerce. Download at www.nist.gov/mep/upload/MEP-Measuring-Results-Mar11-FINAL.pdf

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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.



About Our Organization...

The **Arizona Quality Alliance** is an alliance of organizations that promotes and recognizes performance excellence.

