

2007 Showcase in Excellence Awards Recipient

Sonora Quest Laboratories/Laboratory Sciences of Arizona - “Goal\$sharing”



Company Information:

Highest Ranking Official:
David A. Dexter
President & Chief Executive
Officer

Contact Person:
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Type of work:
Sonora Quest Laboratories/
Laboratory Sciences of Arizona is
the largest integrated laboratory
system in the nation. We provide a
broad range of laboratory testing
services to over 5,000 clients,
including physicians, hospitals,
and other healthcare providers
throughout the state of Arizona.

Workforce:
2,100 employees

Testimonial of Value of Arizona State Quality Awards Program

“Sonora Quest Laboratories/Laboratory Sciences of Arizona is pleased to be the recipient of the 2007 Showcase in Excellence. Based on our experience, I would highly encourage other organizations to participate in the awards program and take advantage of the program’s processes to improve quality and recognize Arizona companies for performance excellence.”

David A. Dexter, President & CEO
Sonora Quest Laboratories/Laboratory Sciences of Arizona

Highlights of Organizational Process:

Quality and Performance Results:

- Sonora Quest Laboratories/Laboratory Sciences of Arizona (SQL/LSA) has established a self-funded employee incentive plan to engage employees in aiding the organization in meeting its financial and operational goals, as outlined in its annual business plan. This program, titled GoalSharing, ties accomplishment of these goals with financial return to the employees.
- The GoalSharing process performance is tracked through three operational performance goals and three financial performance goals: Customer Satisfaction Indexes for both the hospital and SQL laboratories; SQL Productivity; Total Net Income; Cost per Test for Hospitals, and Six Sigma Savings and Standardization. The trend for SQL Net Income reflects progressively increasing income from 2000-2006, up 498% from 1998. Six Sigma Savings and Standardization trend reflects improved actual benefits from \$100,000 in 2001 to \$3.5 Million in 2006.

- GoalSharing payouts per employee improved annually between 2001 and 2006. Overall, the total dollars paid out to employees from the GoalSharing program increased \$1.4 million between 2001 and 2006 respectively.
- The organization focuses on customer value through measuring customer satisfaction for hospitals and laboratory operations, annual satisfaction surveys from third-party vendors and SQL Customer Satisfaction assessments of loyalty, retention and referral measures.
- Prior to the creation of the ROADMAP and GoalSharing in 2000, Sonora Quest Laboratories had a negative operating margin, and very low customer and employee satisfaction indexes. In 2006, Sonora Quest Laboratories exceeded the target operating margin, achieved a customer satisfaction index of 21.4 (5-25 index scale) and achieved an employee satisfaction index of 71 (World Class).

Processes:

- Sonora Quest Laboratories/Laboratory Sciences of Arizona is a Mission, Vision, and Values driven organization. These defining statements along with the organizational business objectives are included in the organization's business plan, the ROADMAP.
- The ROADMAP allows the organization to ensure that employees understand the organization's strategies, goals, and objectives, why the organization has chosen the specific strategies, goals and objectives, and provides a platform to communicate the goals, strategies and objectives throughout the organization. GoalSharing allows for engaging the employees to set and achieve stretch goals and objectives to drive quality, employee satisfaction, customer satisfaction, and profitable growth.
- The GoalSharing Committee includes a Human Resource representative, a Finance representative and 10 other employees that volunteer to participate. The GoalSharing Committee utilizes a measurement and feedback system that includes extensive review of the ROADMAP, data from departments used to make informed decisions, annually selected/weighted goals, review of prior years' goals for changes, discussions with member input about best design for maximum impact, and employee presentations to the Board.
- The Sonora Quest Laboratories/Laboratory Sciences of Arizona Senior Leadership Team implements the process to ensure it meets design requirements by distributing information, such as GoalSharing packets, to all employees, discussions during monthly meetings, department meetings, and town meetings. Distribution/posting of a monthly scorecard for employees, who are key to process success, results in sharing the process to employees in all facilities.
- The organization incorporated productivity models in the GoalSharing information packets to provide examples of how employees can positively impact productivity through such actions as: being accountable for meeting goals; providing quality work the first time to reduce rework; being accountable for problems they can solve; and solving them efficiently. These goals are sufficiently objective to allow each employee the ability to influence the outcome of the process.