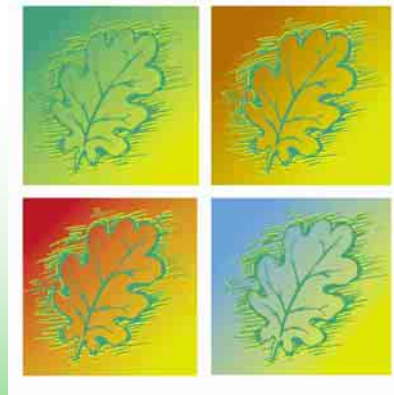


# Successful Baldrige Models build on ISO 9001

October 27, 2005 Colin Gray



“I have ISO 9000 and it was OK but to really add value I want to do Malcolm Baldrige. We had to do ISO and my guy did an OK job but ISO had us all jumping through hoops. Now I am looking to have him put that aside and do the Baldrige thing. Oh and I want to win an award. There is no point in doing it half heartedly.”



# Introductions



- Colin Gray
  - IAMdip, CIMdip, MBA
  - IRCA Lead Auditor, ASQ CQA
  - Accredited Lead Auditor Trainer
  - 20 years management system and process improvement consulting, training and auditing
- Cavendish Scott, Inc.
  - Established 20+ years
  - Over 1000 successful management systems consulting projects
  - Consulting using established models and techniques
    - ISO, Malcolm Baldrige, Process Mapping, etc.
  - Public and in-house training classes
  - Internal auditing and support

# Agenda



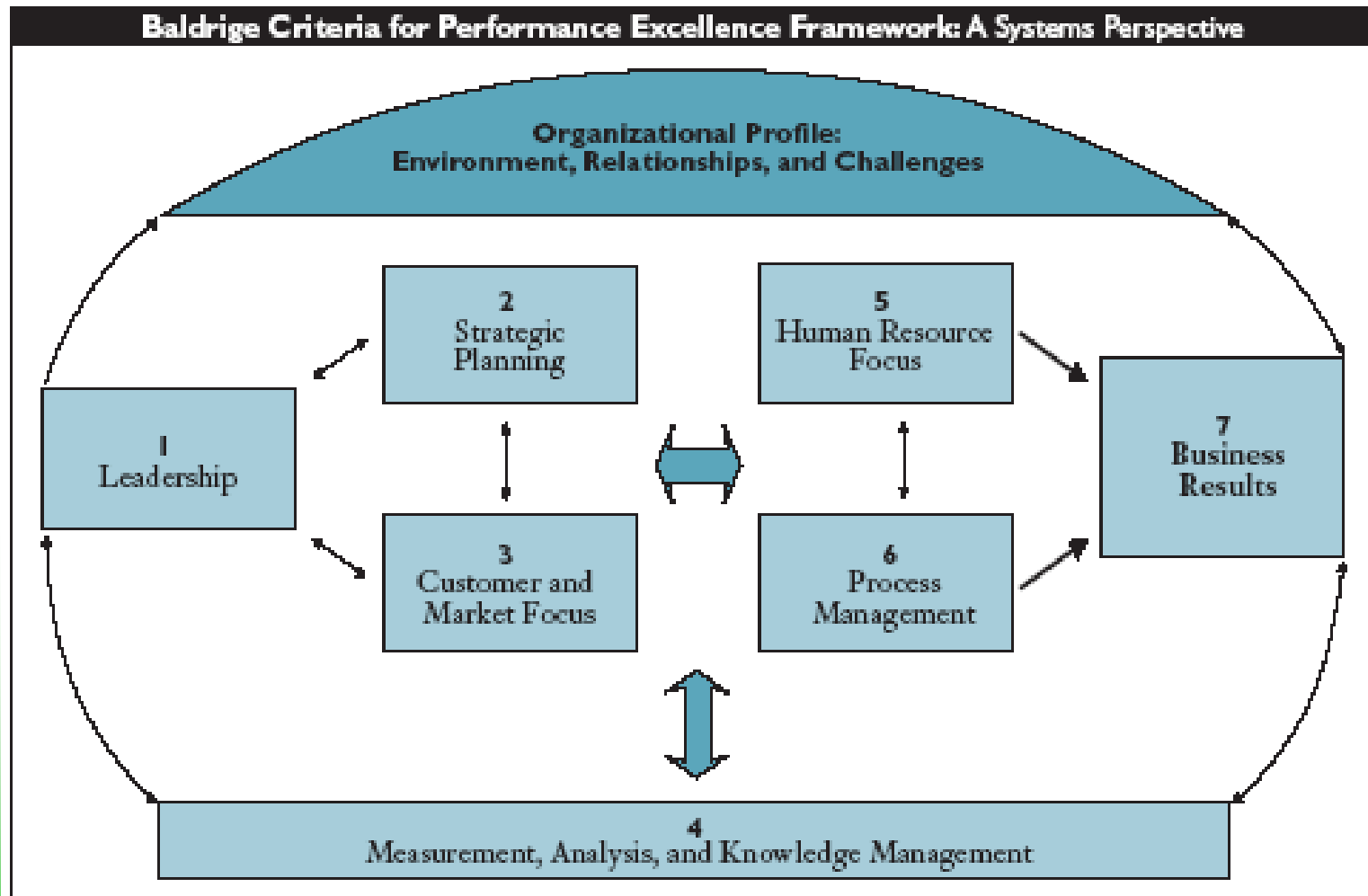
- Quick Overview of MBA criteria
- Quick Overview of ISO 9000 Requirements
- Similarities, differences and how to achieve success and win!

# What is Baldrige?



- Organizational excellence model.
- Administered by U.S. Department of Commerce.
- Yearly awards. First award presented in 1988.
- Many states have adopted the (MB) criteria & examination/award process. (Colorado Performance Excellence)

# MBA Criteria – a Systems Perspective



# MB Categories (W/Points), Part 1



- Leadership (120)
  - 1.1 Senior Leadership (70)
  - 1.2 Governance and Social Responsibilities (50)
- 1. Strategic Planning (85)
  - 2.1 Strategy Development (40)
  - 2.2 Strategy Deployment (45)
- 2. Customer and Market Focus (85)
  - 3.1 Customer and Market Knowledge (40)
  - 3.2 Customer Relationships and Satisfaction (45)
- 3. Measurement, Analysis and Knowledge Management (90)
  - 4.1 Measurement, Analysis, and Review of Organizational Performance (45)
  - 4.2 Information and Knowledge Management (45)

# MB Categories (W/Points), Part 2



- 5. Human Resource Focus (85)
  - 5.1 Work Systems (35)
  - 5.2 Employee Learning and Motivation (25)
  - 5.3 Employee Well-Being and Satisfaction (25)
- 6. Process Management (85)
  - 6.1 Value Creation Processes (45)
  - 6.2 Support Processes and Operational Planning (40)
- 7. Business Results (450)
  - 7.1 Product and Service Outcomes (100)
  - 7.2 Customer-Focused Results (70)
  - 7.3 Financial and Market Results (70)
  - 7.4 Human Resource Results (70)
  - 7.5 Organizational Effectiveness Results (70)
  - 7.6 Leadership and Social Responsibility Results (70)

## 6.1 Value Creation Processes (45 pts.)



- **Describe HOW your organization identifies and manages its KEY PROCESSES for creating CUSTOMER VALUE and achieving business success and growth.**
- Within your response, include answers to the following questions:
  - a. VALUE CREATION PROCESSES
  - (1) HOW does your organization determine its KEY VALUE CREATION PROCESSES? What are your organization's KEY product, service, and business PROCESSES for creating or adding VALUE? How do these PROCESSES contribute to profitability and business success?

# Aspects of an Application



- Approach
- Deployment
- Learning
- Improvement
- (PDCA)

# 0% Weighting of Points Score



- No SYSTEMATIC APPROACH is evident; information is ANECDOTAL. (A)
- Little or no DEPLOYMENT of an APPROACH is evident. (D)
- An improvement orientation is not evident; improvement is achieved through reacting to problems. (L)
- No organizational ALIGNMENT is evident; individual areas or work units operate independently. (I)

# 100% Weighting of Points Score



- An EFFECTIVE, SYSTEMATIC APPROACH, fully responsive to the MULTIPLE REQUIREMENTS of the Item, is evident. (A)
- The APPROACH is fully DEPLOYED without significant weaknesses or gaps in any areas or work units. (D)
- Fact-based, SYSTEMATIC evaluation and improvement and organizational LEARNING are KEY organization-wide tools; refinement and INNOVATION, backed by ANALYSIS and sharing, are evident throughout the organization. (L)
- The APPROACH is well INTEGRATED with your organizational needs identified in response to the other Criteria Items. (I)

# ISO Process Model

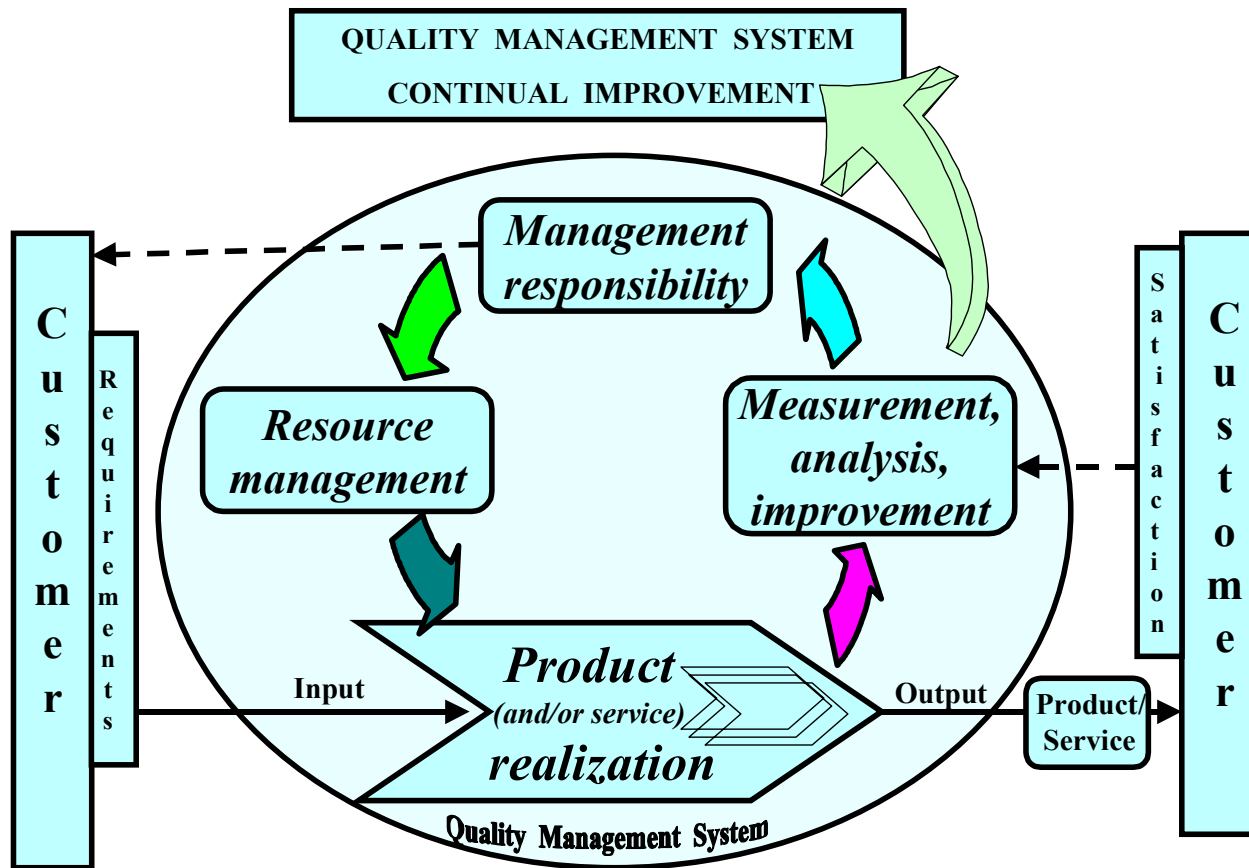


Fig. 1 Quality Management Process Model

# Sections of ISO 9001:2000



## **Introduction**

### **1 Scope**

#### **1.1 General**

#### **1.2 Application**

### **2. Normative References**

### **3. Terms and Definitions**

### **4. Quality Management Systems**

#### **4.1 General Requirements**

#### **4.2 Documentation Requirements**

### **5. Management Responsibility**

#### **5.1 Management commitment**

#### **5.2 Customer focus**

#### **5.3 Quality policy**

#### **5.4 Planning**

#### **5.5 Responsibility Authority and Communication**

#### **5.6 Management review**

### **6. Resource Management**

#### **6.1 Provision of resources**

#### **6.2 Human resources**

#### **6.3 Infrastructure**

#### **6.4 Work environment**

### **7. Product Realization**

#### **7.1 Planning of product realization**

#### **7.2 Customer-related processes**

#### **7.3 Design and development**

#### **7.4 Purchasing**

#### **7.5 Production and Service provision**

#### **7.6 Control of monitoring and measuring devices**

### **8. Measurement, Analysis and Improvement**

#### **8.1 General**

#### **8.2 Monitoring and Measurement**

#### **8.3 Control of nonconforming product**

#### **8.4 Analysis of data**

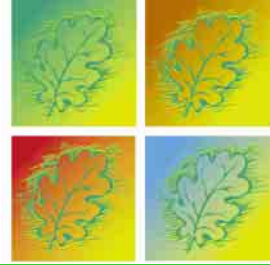
#### **8.5 Improvement**

# 4.1 General Requirements



- The organization **shall** establish, document, implement and maintain a quality management system and continually improve its effectiveness in accordance with the requirements of this International Standard.
- The organization **shall**
- a) identify the processes needed for the quality management system and their application throughout the organization (see 1.2),
- b) determine the sequence and interaction of these processes,
- c) determine criteria and methods needed to ensure that both the operation and control of these processes are effective,

# Comparison of Models



- MBA attempts to describe every aspect of an organization to be addressed (hence different versions for education and healthcare)
- MBA doesn't identify processes (primary or support)
- MBA is a competition (volunteer examiners)
- MBA provides questions not answers
- It takes 10 attempts (years) to win any award
  
- ISO requires a process approach that can be applied to all aspects of any organization (a single generic standard) Note: MBA also does the same thing
- Does not explicitly address some organizational issues (e.g. citizenship – it is a quality standard after all – but there is no reason why not to apply it.
- ISO identifies primary and support processes - generically (and has support documents to further help)
- Minimum Performance Requirements specified – Improvement is mandatory and minimum is not mandatory
- Professionally assessed
- Gives some direction in the requirements
- Takes 6 months (to reach minimum)
  
- Investment.....?

# The Cavendish Scott Protocol



- To improve commit to the process approach specified in ISO and supported in MBA. (note that not everything is a process)
- Use that approach throughout your organization
- Use the established ISO processes and apply the MBA questions to move towards excellence
- Use the ISO support processes (MBA does not really help identify them) and similarly apply MBA
- Identify processes called out in MBA and not mentioned in ISO (e.g. citizenship) and apply the process approach to meet the criteria for MBA
  
- Craft an application - To win the application must be written very carefully.

# ISO 9000 Directly Addresses the Process Category 6



- ISO 9001:2000 does not address all of the (MB) criteria (doesn't even come close).
- The Process Approach advocated by ISO 9001 (0.2) is what is required by the Process Category of MBA
- You also get MBA points for applying the ISO approach “everywhere” in your organization.
- MBA includes support processes but doesn’t explain what they are. ISO is very good at this.
  
- ISO assists in identifying some of the key processes in section 7. Guidance documents can expand this.
- But both MBA and ISO still require application of the process approach everywhere.

# Enabling Processes



- Processes not specifically mentioned by MBA but which are in ISO that help you achieve whatever you want (MBA excellence)
- 8.2.2 Internal Audit
- 8.2.1 Customer Satisfaction
- 8.5.1 Continual Improvement
- 8.5.2 Corrective Action
- 8.5.3 Preventive Action
- 0.2 Process Approach
- PDCA (Plan Do Check/Study Act) – (in MBA)
- Objectives, Controls, Measurements, Improvement

# ISO Processes Relative to MBA



- 5.4.1 Quality Objectives
- 5.5.3 Internal Communication
- 5.6 Management Review
- 6.2 Human Resources
- 7.1 Planning of Product Realization
- 8.2.1 Customer Satisfaction
- 8.2.3 Monitoring and Measurement of Processes
- 8.4 Analysis of Data, and
- 8.5.2 Corrective Action.

## 5.4.1 Quality Objectives



Category	Point Value
1.1 Senior Leadership	70
2.1 Strategy Development	40
2.2 Strategy Deployment	45
7.3 Financial and Market Results	70
Total Potential Points	225

## 5.5.3 Internal Communication



Category	Point Value
1.1 Senior Leadership	70
Total Potential Points	70

# 5.6 Management Review



Category	Point Value
1.2 Governance and Social Responsibilities	50
2.1 Strategy Deployment	45
4.1 Measurement, Analysis, and Review of Organizational Performance	45
6.2 Support Processes and Operational Planning	40
7.1 Product and Service Outcomes	100
7.2 Customer-Focused Results	70
7.3 Financial and Market Results	70
7.4 Human Resource Results	70
7.5 Organizational Effectiveness Results	70
7.6 Leadership and Social Responsibility Results	70
Total Potential Points	630

# 6.2 Human Resources



Category	Point Value
1.2 Governance and Social Responsibilities	50
5.1 Work Systems	35
5.2 Employee Learning and Motivation	25
5.3 Employee Well-Being and Satisfaction	25
7.4 Human Resource Results	70
Total Potential Points	205

# 7.1 Planning of Product Realization



Category	Point Value
6.1 Value Creation Processes	45
6.2 Support Processes and Operational Planning	40
7.1 Product and Service Outcomes	100
7.3 Financial and Market Results	70
7.5 Organizational Effectiveness Results	70
Total Potential Points	325

## 8.2.1 Customer Satisfaction



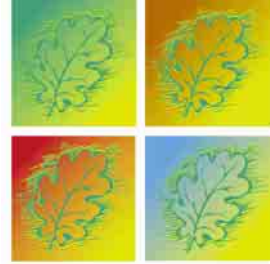
Category	Point Value
3.1 Customer and Market Knowledge	40
3.2 Customer Relationships and Satisfaction	45
7.2 Customer-Focused Results	70
Total Potential Points	155

## 8.2.3 Monitoring and Measurement of Processes



Category	Point Value
2.2 Strategy Deployment	45
4.1 Measurement, Analysis, and Review of Organizational Performance	45
6.1 Value Creation Processes	45
6.2 Support Processes and Operational Planning	40
7.1 Product and Service Outcomes	100
7.3 Financial and Market Results	70
7.5 Organizational Effectiveness Results	70
Total Potential Points	375

# 8.4 Analysis of Data



Category	Point Value
3.1 Customer and Market Knowledge	40
4.1 Measurement, Analysis, and Review of Organizational Performance	45
4.2 Information and Knowledge Management	45
6.1 Value Creation Processes	45
6.2 Support Processes and Operational Planning	40
7.1 Product and Service Outcomes	100
7.2 Customer-Focused Results	70
7.3 Financial and Market Results	70
7.4 Human Resource Results	70
7.5 Organizational Effectiveness Results	70
7.6 Leadership and Social Responsibility Results	70
Total Potential Points	665

## 8.5.2 Corrective Action



Category	Point Value
3.2 Customer Relationships and Satisfaction	45
Total Potential Points	45

# Point Comparisons

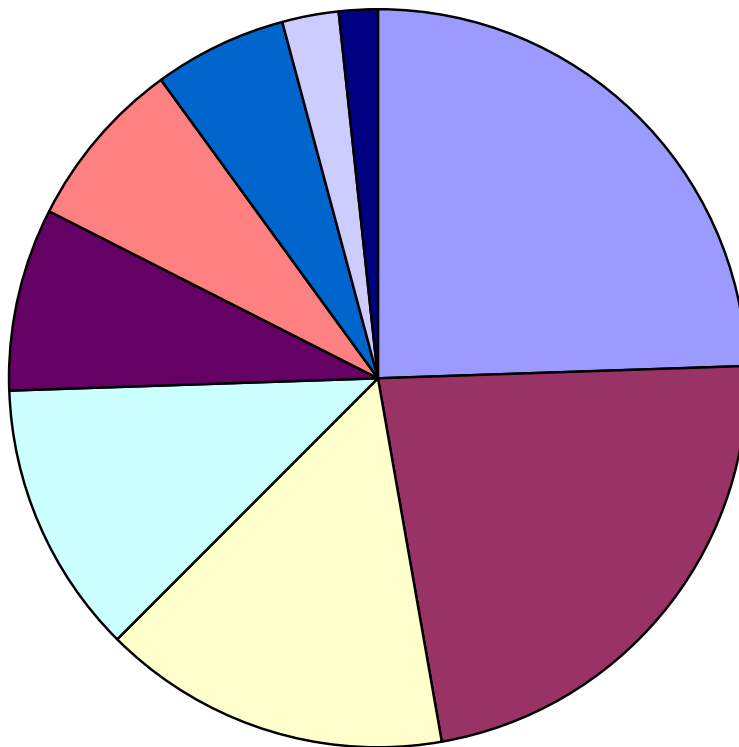


Process	Point Value
5.4.1 Quality Objectives	225
5.5.3 Internal Communication	70
5.6 Management Review	630
6.2 Human Resources	205
7.1 Planning of Product Realization	325
8.2.1 Customer Satisfaction	155
8.2.3 Monitoring and Measurement of Processes	415
8.4 Analysis of Data	665
8.5.2 Corrective Action	45

# How It Adds Up



**Processes by Point Value**



- 8.4 Analysis of Data
- 5.6 Management Review
- 8.2.3 Monitoring and Measurement of Processes
- 7.1 Planning of Product Realization
- 5.4.1 Quality Objectives
- 6.2 Human Resources
- 8.2.1 Customer Satisfaction
- 5.5.3 Internal Communication
- 8.5.2 Corrective Action

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