
Minnesota Council for Quality Stakeholder Update
October 2002

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1. A Message from the President: Back to the Basics of Management

I probably don't need to tell you that times are tough. In nearly every sector, conditions have been difficult for about two years now. And – though some forecasts show slight improvement in the future – I'm sure we still have a few challenging quarters ahead.

I find it interesting, however, that in a period of difficult market conditions, many organizations increasingly focus on financials. Admittedly, CEOs and Boards have to satisfy stockholders' requirements, which can get more demanding in a down market. But leading an organization by managing its financials is like steering a car by looking in the rear view mirror. Financials are lagging indicators of an organization's performance, and are extremely difficult to impact. Managers should instead focus on the leading indicators of future success – those addressing customers, employees, processes and operations.

We may be seeing the beginning of a transition to focusing on non-financials. In an April 2002 study of senior leaders conducted by PricewaterhouseCoopers, 89% said product and service quality contributed to long-term shareholder value. Customer satisfaction and loyalty was cited by 83%, operating efficiency by 75%, innovation by 62%, and employee satisfaction and turnover by 47%. Current financial results were still mentioned by 71%, but the emphasis on non-financial measures is noteworthy.

Says Frank Brown, global leader for assurance and business advisory services at PWC: "Finding a way to accurately predict future financial results has been the Holy Grail for executives. Though current financial results are very important to day-to-day decision making, executives find them less important than other measures in predicting future

shareholder returns. Executives increasingly recognize the importance of non-financial measures such as customer satisfaction and product quality in determining how markets value their companies.”

Many improvement frameworks support the notion of managing the drivers – the leading indicators – of long-term financial results. The Baldrige Criteria for Performance Excellence outlines six major categories on which managers should focus their attention; the Balanced Scorecard mentions three perspectives in addition to financials that are important to consider; and ISO and Six Sigma both emphasize the importance of customer and process.

My challenge to organizations is this: begin today to identify those non-financial things that drive your organization’s success. Identify measures that appropriately monitor your progress, and set targets and corresponding action plans to reach your non-financial objectives. Manage those objectives and plans; your financial results will surely follow.

Sincerely,

Brian Lassiter
President, MN Council for Quality

2. The Council Announces a New Partner: Century College

The Minnesota Council for Quality, Minneapolis, and Century College, White Bear Lake, have agreed to a partnership that brings the college’s Continuing Education courses to MCQ members at a discount.

“This alliance makes sense for our members,” says Brian Lassiter, president of the Minnesota Council for Quality. “Our vision is to bring expert resources and programs to organizations that wish to improve their performance. Century College offers many courses that focus on quality, customer satisfaction, management, and organizational improvement. So this partnership obviously brings value to our growing membership.”

The arrangement entitles Council members a \$50 discount for all Century College ASQ Quality Courses this fall, as well as a discount to all Century College Continuing Education courses next spring.

The courses offered this fall are in collaboration with the Minnesota Section of ASQ. These courses – intended to help advance your career, prepare you for ASQ certification, and improve your organization’s performance – include: Certified Quality Engineer, Certified Quality Auditor, ISO 9000:2000 Overview, Internal Quality Auditing Workshop, The Art and Science of Customer Surveys, Dealing with Data-Driven Decisions, and Quality 101. Costs and dates vary by course. For information and course descriptions, check out <http://www.century.mnscu.edu/cect/0bms/bmsqtcert.html> or

contact Elaine Wallin at Century (651-779-3270, e.wallin@century.mnscu.edu) or Terry Bannen (651-779-5740, t.bannen@mnscu.edu).

“We are happy with this agreement,” says Elaine Wallin, Program Manager at Century College’s Continuing Education and Customized Training department. “This partnership not only increases our visibility and our student base, but it also supports quality and organizational improvement in Minnesota.”

3. Recognizing the 2002 Board of Evaluators Fall Class; Thank You Unisys

The fall training session for our 2002 Board of Evaluators was completed last week at Unisys in Roseville. Training was conducted by Dr. Mark Blazey.

The following individuals successfully completed training and have joined the 2002 Board of Evaluators:

Bryon Bothun, Rochester Public Schools
Debra Bowers, Elk River Area Schools
Joan Broers, Mayo
Mary Ann Bucher, UNISYS
Debra Bultnick, db ink.
Michelle Carlson, Alliant TechSystems
James Cushing, UNISYS
Myron Dummer, Winland Electronics
David Ewert
Lynn Fernstrom, Centennial School District
Peggy Flathmann, Centennial School District
Kit Hawkins, Rochester Public Schools
Ken McCormick, Hennepin County
John Mestad, Nuclear Management Company
Greg Potasek, Deluxe
Edna Rask Erickson, Consultant
Scott Robinson, Medtronic
Sylvia Rolfs, Consultant
Hal Schroer, Self-Employed
Craig Siiro, Virchow, Krause & Company, LLP
Arnold Smedstad, UNISYS
Bonnie Jean Smith, Governor’s Council on Developmental Disabilities
Paul Truer, University of Minnesota-Duluth
Jackie Vaale, UNISYS
Dan Waters, Quality Process Solutions, Inc.
Brenda Wichmann, Rochester Public Schools
Russell Williams, US Army Corps of Engineers

We would like to offer a special thank you to Unisys for their in-kind donation of the use of their facilities. Your contribution is greatly appreciated!

We would also like to thank the many Council volunteers that assisted in the training, including: Jean Bronk, Rick Carlson, April Corniea, Paul Grizzell, Lois Mackin, Linda Mazzuco, Pat O'Boyle, Melissa Rabida, and Mike Reagan. We would also like to thank the volunteer panel members: Joan Broers, April Corniea, Roger Lee, Pat O'Boyle, and Sylvia Rolfs.

Dates for 2003 Board of Evaluators training will be announced in November.

4. Please Help Us Build the Improvement Clearinghouse

As you may know, the Council is creating an improvement Clearinghouse, a web-enabled tool that will provide information and resources for improving organizational performance -- information such as whitepapers, articles, links to other sites, benchmarking resources, and announcements. The Clearinghouse is intended to be a comprehensive resource center for organizations desiring information on improvement frameworks, techniques, and tools.

Though we already have a great deal of content, we would like to invite you to provide your favorite -- or most helpful -- improvement material. Specifically, we are looking for improvement-related:

- * articles,
- * white papers, and
- * website links.

We are looking for any material that addresses improving organizational performance, including (but not limited to):

- * leadership effectiveness
- * ethics and corporate responsibility
- * strategic and action planning
- * customer satisfaction or customer relationship management (CRM)
- * performance measurement, including the Balanced Scorecard
- * information and knowledge management, including technology effectiveness
- * recruiting, hiring, and motivating employees
- * training, education, and employee development
- * reward and recognition
- * employee satisfaction and well-being
- * process improvement and management
- * lean manufacturing
- * Six Sigma and Statistical Process Control (SPC)

- * SEI Capability Maturity Matrix
- * ISO quality systems
- * Baldrige
- * or other appropriate topics

If possible, please provide the material (including the author and author/publisher contact information, if known) by October 31. You may either email the content to mc4quality@aol.com, or mail to the Minnesota Council for Quality, Box 13033 Ridgedale Drive, Box 156, Minnetonka, MN 55305.

Thank you for helping us build a tool that helps your organization!

5. Using Baldrige to Improve Organizational Performance: PIN Discussion 11/7

The need to improve your organization's performance has perhaps never been greater. The difficult economy over the last year or two has created a renewed need for improvement and systemic change within all organizations: customers are more demanding, employees are overextended, and competition has never been as fierce. But – with the complexity of organizations – where does one start? How do you know on which processes to focus? And how do you sustain the improvement?

In our next Performance Improvement Network (PIN) meeting scheduled for November 7, we will focus on how the Baldrige framework can be used to assess and improve organizational performance. We are pleased to welcome Ms. Ann Burns of Sunny Fresh Foods, a division of Cargill and a 1999 Baldrige Award recipient. Ms. Burns will outline how Baldrige is much more than just an Award: she will discuss how Sunny Fresh uses Baldrige as a framework for learning, planning, and improvement. She will also illustrate how Sunny Fresh has integrated other improvement tools and techniques with Baldrige.

Created in 1987, Baldrige is a framework that outlines validated practices that successful organizations use to achieve organizational results. Baldrige is now being used by thousands of organizations – of all sizes, in all sectors, and in all types of organizations – to better understand their operations and improvement performance. Baldrige outlines criteria in seven areas: leadership, strategic planning, customer and market, information and analysis, human resources, process management, and results.

6. 2003 Economic Outlook Discuss by Minneapolis Fed President: MSLF on 10/22

We all know that the economy has been challenging in most sectors for the last year or two. But how will the Minnesota market look in the next 12 months? And how can your organization begin to prepare for possible changes?

The Minnesota Strategic Leadership Forum (MSLF), a partner of the Minnesota Council for Quality, is pleased to announce that Dr. Gary Stern, President and CEO of the

Minneapolis Federal Reserve Bank, will share his outlook on the 2003 economy at their October 22 discussion. Dr. Stern became president of the Minneapolis Fed in 1985, after spending seven years with the NY Fed and a NY-based economic consulting firm.

The event will be held at the Minneapolis Campus of St. Thomas, 1000 LaSalle, Room TMH 203 A/B. Registration is 7:00 a.m, buffet breakfast at 7:30 a.m., speaker begins at 7:45 a.m., and Q&A is at 8:45-9:00 a.m. Cost is \$25 (\$15 for MN Council members). For more information or to register, please visit www.slf-minnesota.org or email keith@hornbacherAssociates.com.

7. Making the Transition to the ISO 9000:2000 Standard – November 19

The clock is ticking. With the release of the ISO 9000:2000 standard in late 2001, organizations registered to the 1994 ISO version have until December 15, 2003, to bring their organizations into compliance. However, as of this summer, only a small number of the approximately 40,000 certified US organizations have done so. For the rest, the deadline is approaching.

The University of Minnesota's College of Continuing Education is proud to offer a one-day ISO 9000:2000 Workshop: Making the Transition to the New Standard. This hands-on, highly interactive workshop is designed to jump-start the implementation of your transition process.

The workshop is a working session, not only providing an overview of the new standard, but also providing examples, worksheets, and transitioning tools that can be used immediately to implement the new ISO standard in your business. This workshop will get you started updating your procedures and begin to add the new requirements to your quality management system.

Course Objectives:

- * Scope: Determine your ISO scope and identify permissible exclusions
- * Process Focus: Understand the process approach and how to apply process mapping in your organization
- * Quality Objectives: Prepare a quality objectives matrix to focus your organization on continual improvement
- * Training Effectiveness: Identify how organizations are measuring training effectiveness, and what methods work for your business
- * Customer Feedback: Implement easy tools for collecting and analyzing customer feedback
- * Quality Manual: Understand suggested revisions for your quality manual
- * Quality Procedures: Identify which quality procedures you should keep, which need to change, and which are no longer needed
- * Internal Auditing: Identify recommended changes to your internal audit process
- * Monitoring and Measurement: Understand how to measure and monitor your quality processes

* Continual Improvement: Better capture the continual improvements in your organization after implementation

* Management Review Meetings: Learn ways to make management review meetings better, faster, and more productive

At the conclusion of the workshop, you will have a quality manual and procedure changes. You will also have tools for measuring customer feedback, training effectiveness, and quality objectives that can be implemented immediately. So come jump-start your ISO transition efforts and attend this special one-day working session.

The instructors are Anne Ochs and Janine Johnson. Anne L. Ochs has twenty years quality systems implementation experience, as well as supervisory and management experience in both the private and public sector. Ms. Ochs is managing quality system design, documentation and implementation with Quest Analytical. She holds a BS in Chemistry and a MBA in Management. Janine Johnson currently works as a QMS lead auditor for DNV, NSAI, CRS Registrars and SQA Services, and her auditing expertise includes ISO 9001:2000, QS 9000, and AS 9011(a). She is a Quality Consultant, currently providing auditing, training, and consulting services. She holds a BS in Management.

The workshop will be held Tuesday, November 19, 2002, from 8:30 a.m. - 4:30 p.m. at the Earle Brown Center at University of Minnesota's St. Paul Campus. Cost is \$695 or \$595 per person for organizations sending 3 or more people or for members of the Council (use coupon code x027; cost includes materials, breakfast, lunch, breaks, 0.6 CEUs, and certificate of completion).

To register, call 612-624-1228 or visit the U's website at <http://register.cce.umn.edu/>, and click on BUSN 0093 Sec 001 ISO 9000 2000.

8. Achieving and Sustaining Excellence in Higher Education: 11/22

The University of Wisconsin-Stout, in partnership with the National Consortium for Continuous Improvement in Higher Education, is proud to announce its annual conference: "Achieving and Sustaining Excellence in Higher Education" on November 22 at the Embassy Suites Hotel in Bloomington.

This event will provide with an opportunity to learn how organizations that have received state, regional, and national awards have implemented and sustained improvements. Three conference tracks allow participants to tailor their learning: one track will follow Baldrige-winning UW-Stout's journey, another track will follow other higher education institutions' quality journey, and the final track highlights professional associations that help higher education organizations improve their performance. Brian Lassiter, president of the Council, will speak on how local and state programs can help your organization improve.

Cost is \$275 before November 4 (\$300 after). For more information or a brochure, please call 715-232-2693 or email Conference-Solutions@uwstout.edu.

9. Balanced Scorecard Automation Workshop: 11/21

On the morning of November 21, Insightformation, in cooperation with the Minnesota Council for Quality, will be putting on a 2-hour seminar on “Using the Balanced Scorecard Approach to Create a Strategy Focused Organization.” This seminar will provide practical information on how the evolution of the Balanced Scorecard approach has resulted in a powerful set of best practices for successfully executing strategy and improving the performance of organizations. The seminar will cover several practical suggestions (and mistakes to avoid) to achieve greater success with the Balanced Scorecard. The seminar will also feature a demonstration of Balanced Scorecard automation based on the Microsoft Balanced Scorecard Framework and Toolkit, which was developed by Insightformation. Attendees will also have a chance to hear a panel discussion and ask questions to a panel consisting of both consultants and people who have lead Balanced Scorecard initiatives in their own organizations.

The seminar will take place at the Doubletree Hotel, 1500 Park Place Blvd., in St. Louis Park, MN. Registration and continental breakfast will start at 7:30 AM. The seminar will go from 8:00 to 10:00. The cost is \$45 (members of the Minnesota Council for Quality and the Performance Improvement Network get a discounted rate of \$35 if they register and pay in advance). For more information – or to register – contact Elizabeth Brazil at 763-521-4599 x18.

10. Integrating Six Sigma with Lean Manufacturing – 10/30

The Association for Manufacturing Excellence (AME) is proud to present a one-day seminar sharing case study success stories of how organizations have integrated Six Sigma and Lean Manufacturing practices. Learn how three organizations – Datacard, Carlson Companies, and Seagate – have increased levels of overall organization and human performance – using these tools.

The seminar will be held October 30 at the Radisson Hotel and Conference Center (3131 Campus Drive, Plymouth). The fee is \$325, which includes continental breakfast, lunch, and presentation material. For more information, contact: Janice Tobin at Medtronic (763-391-9083, janice.tobin@medtronic.com), Jim Tennessen at LarsonAllen (612-376-4569, jtennessen@larsonallen.com), or Mark Paulson at FSI International (952-361-7664, mark.paulson@fsi-intl.com).