Virginia SPQA's 2017 Ones to Watch: Discovery Guide

Our Mission

To promote continual improvement strategies, provide training, mentoring and recognition to organizations in pursuit of performance excellence.

Discovery

United States Senate Productivity and Quality Award
for Virginia and the District of Columbia

Dear Virginia Business Leader,

The U.S. Senate Productivity and Quality Award for Virginia (Virginia SPQA) is celebrating its 35th year of serving organizations across the Commonwealth of Virginia and District of Columbia. From its beginning, Virginia SPQA has been a national leader in driving excellence in organizational performance. Virginia SPQA endorses the Baldrige Excellence Framework, a systems-based perspective that is used by hundreds of organizations to stay abreast of competition and to improve organizational performance and results.

Every organization in Virginia and the District of Columbia that uses the Baldrige Framework is a winner!

Virginia SPQA partners with Virginia's Secretary of Commerce and Trade and various state agencies and organizations supporting small business in the Commonwealth of Virginia to create the **Ones to Watch Program**. Ones to Watch can help improve your business's financial results, customer loyalty, job creation, operational effectiveness, improvement strategies, and workforce engagement.

This Ones to Watch: Discovery Guide will help you complete your Baldrige-based self-assessment—an opportunity to identify key factors of strategic importance to your organization. The value of Ones to Watch doesn't stop there. In addition, as a Ones to Watch business, you will receive coaching, training, actionable feedback, and professional business services that can help improve your organization's 'bottom line'.

And then, based on your Ones to Watch experience, consider how other Virginia SPQA programs can help your organization achieve the next level of organizational maturity and performance excellence.

Very truly yours,

Janice K. Garfield, PhD
Chairman, Board of Directors

US Senate Productivity and Quality Award (SPQA) Overview

Virginia SPQA's mission is to promote continual improvement strategies and provide training, mentoring and recognition to organizations in pursuit of performance excellence. We accomplish our mission through a process of knowledge sharing, evaluation, feedback and recognition through five distinct programs; Award and Recognition Program, Discovery Program, Ones to Watch Program, Training Program, and the Virginia Forum for Excellence. Virginia SPQA, a 501-C3 non-profit corporation, is administered and supported by an extensive network of organizations, sponsors, and individual volunteers. Virginia SPQA's Board of Directors, comprised of volunteer non-partisan representatives from public and private sector organizations, administers the program under the sponsorship of US Senators Mark Warner and Tim Kaine. For more information, visit the SPQA website at www.spqa-va.org

What is the Virginia SPQA Ones to Watch Program?

The Ones to Watch Program is designed to help Virginia small businesses reach their full potential. Being selected to participate in Ones to Watch represents a unique opportunity for Small Businesses to sharpen their strategic management skills so critical to sustained growth. Ones to Watch introduces small businesses and their leaders to an improvement system based on the *Baldrige Excellence Framework* Criteria for Performance Excellence. Participating businesses will complete the *Ones to Watch: Discovery Self-Assessment Template* provided by SPQA. <u>Businesses should understand before getting started that it will take many hours of work to conduct and record a meaningful self-assessment. The value will be in the amount and quality of the time a business spends dissecting and understanding its business – who it is and where it wants to go</u>.

In addition, SPQA will provide each business training and assign an SPQA Mentor to help them understand this *Ones to Watch: Discovery Guide*, how to use the *Ones to Watch: Discovery Self-Assessment Template* and how to navigate through the Ones to Watch process in general. SPQA will provide a team of experienced examiners to conduct an objective evaluation of each business's written Self-Assessment. SPQA will then provide a written SPQA Feedback Report and a teleconference with the examiners to help clarify the Feedback Report. Next, the SPQA Mentor and one or more professional service and resource providers will help each business develop and implement improvement strategies based on the SPQA Feedback Report. <u>More time will be involved in developing and implementing the action plans derived from the SPQA Feedback Report.</u> This time will be well spent because Ones to Watch will help Virginia businesses improve:
◆ Financial Results
◆ Customer Loyalty
◆ Job Creation
◆ Operational Effectiveness
◆ Improvement Strategies
◆ Workforce Engagement

<u>Ones to Watch ultimately contributes to growth and sustainability</u>.

Why Become a 'One to Watch' Business?

Virginia SPQA promotes awareness of performance excellence as an increasingly important element of competitiveness. Participation in Ones to Watch creates an opportunity for you to critically examine your business, identify strengths and opportunities to improve, and implement improvement strategies. Ones to Watch accelerates your improvement by introducing a rigorous, objective, and external Baldrige-based evaluation of and feedback on your business's performance. The Ones to Watch Program uses a simplified version of the *Baldrige Excellence Framework and its* assessment *method* is based on the core maturity concepts and Basic and Overall Requirements of the *Baldrige Excellence Framework* Criteria for Performance Excellence. For more information on the Baldrige Excellence Framework visit http://www.nist.gov/baldrige. Virginia SPQA's Ones to Watch is a 'no cost' program that benefits you and your business by providing:
◆ Free training on how to conduct a Discovery (Baldrige based) self-evaluation of your business processes
◆ Actionable feedback on the strengths and opportunities for improvement of your business
◆ An experienced mentor who will work with you one-to-one to help you navigate and complete the program
◆ Access to a network of professional service and resource providers
◆ Press recognition for program participation

How to Participate

Each participant in the Virginia SPQA Ones to Watch Program must meet the eligibility requirements and complete an online application found on the Virginia SPQA website, www.spqa-va.org. The application requires the commitment of the highest ranking

official. Applications from eligible businesses will be evaluated and those selected to participate will receive a letter of notification from the Commowealth Ones to Watch Partnership.

Program participants must agree to participate in Ones to Watch training, prepare a Self-Assessment using the Ones to Watch: Discovery Template and this Guide, and work with the assigned SPQA Mentor and designated professional service and resource providers. Also, businesses must recognize and agree to a one year time and internal resource commitment.

Small Business Eligibility Requirements

The following are the eligibility requirements for those small businesses wishing to apply for the 2017 Virginia Ones to Watch Program. Prior to submitting an application, your company's leadership should review these requirements to see if you are eligible to apply. These requirements also appear on the application.

- ◆ 51% independently owned and controlled by one or more individuals who are U.S. citizens or legal resident aliens
- ◆ Fewer than 250 employees and less than $10M gross receipts over previous 3 years
- ◆ Control of management and daily operations by one or more individual owners
- ◆ Business headquarters and principle operations primarily located in the Commonwealth of Virginia
- ◆ Business has not filed for bankruptcy or foreclosure within the last 24 months while in operation/incorporated
- ◆ Business or its owners are not subject of investigations and not named subject of any current criminal investigations or criminal proceedings
- ◆ Program is open to any business from any sector that's not otherwise restricted from participating in business and economic development programs offered by the Commonwealth.
- ◆ Owners agree to training, self-assessment, mentor assignment, and one-year commitment to participation in the Ones to Watch program

Ones to Watch Training

Each small business selected for Ones to Watch in 2017 will receive a training session. SPQA will provide a trainer and training materials. The Ones to Watch business may provide a suitable training facility or SPQA will provide the training facility. If the business provides the training facility, in their operating area, they may invite any number of employees and stakeholders as desired. The training workshop will provide an introduction to the Baldrige Excellence Framework and is designed to help the participating business complete its Ones to Watch: Discovery Self-Assessment and navigate the Ones to Watch Program.

SPQA Mentor Role

The SPQA Mentor reinforces your Ones to Watch training during the Self-Assessment process and can help you better understand the template and how to complete it. The Mentor can also help you gain a better understanding of the *Baldrige Excellence Framework* and how the Criteria for Performance Excellence relate to the Discussion Areas in the template. As your Ones to Watch 'go to' person, your mentor will be there to assist you throughout the entire Ones to Watch Program.

Ones to Watch: Discovery Program Confidentiality

All persons involved in the SPQA Ones to Watch Program including members of the SPQA Examiner Team, are held to a strict set of standards of conduct designed to protect the confidentiality of each Ones to Watch business.

How to Use this Guide

This Guide provides information on how to conduct your business's self-evaluation and how to complete your **written Ones to Watch Self-Assessment** using the *Ones to Watch: Discovery Template* for submission to Virginia SPQA. This Guide also provides some insight into how SPQA examiners will evaluate your business's **written Self-Assessment** using the Baldrige Excellence Framework Criteria for Performance Excellence. Your assigned SPQA Mentor and professional service and resource providers will help you navigate the remaining steps of the Ones to Watch process that occur after you receive the SPQA Feedback Report.

The Particulars of Conducting Your Business's Self-Evaluation and Completing the Written Self-Assessment

Each participating business is to use the *Ones to Watch: Discovery Self-Assessment Template*, which is based on the core concepts and the Basic and Overall Requirements of the Baldrige Criteria as reflected in this Guide. *The Ones to Watch: Discovery Self-Assessment Template* is available in MS Word at www.spqa-va.org located on the Ones to Watch page. For reference, the template is provided as an Appendix to this Guide.

Your business's completed Ones to Watch: Discovery Self-Assessment must be received <u>electronically</u> by Virginia SPQA no later than 45 days following the date of your business receiving Ones to Watch training.

How you conduct your Self-Assessment depends in part on the size of your business. The information below is only suggested. You must decide for yourself how to proceed with the self-assessment process. ***However, we advise all businesses to review pages 4-19 (The Particulars of Conducting Your Business' Self Evaluation …through to the Glossary) in this Guide. This information provides valuable insights regarding the basic constructs of the assessment method and what Examiners expect to see.***

For example, in a very small business, less than 50 employees or so, the senior leader or his/her designee may write the assessment with the assistance of a few individuals. In a larger business, maybe 50-100 employees, the senior leader might assign a team to gather the information and conduct the Self-Assessment. In either case, having a Baldrige or a Virginia SPQA trained examiner or someone experienced with the Baldrige Excellence Framework on staff as a resource may help to ensure the full value of the effort. Information on SPQA Examiner training can be found on the website, www.spqa-va.org.

> **Regardless of the approach adopted to conduct your self-evaluation and complete your written Self-Assessment, the value to your business is in the discussion that occurs around each of the questions provided. The Ones to Watch: Discovery Self-Assessment process will only add value if it engages enough individuals to ensure a broad consensus on the answers. Your self-evaluation will work best if it is able to prompt internal debate and initiative on how to improve or sustain performance.**

For a large business of 100-250 employees, we propose using the steps below or some variation to ensure the maximum benefit of completing the Self-Assessment.

First, A Meeting of Senior Management
The senior leader or his/her designee would gather senior managers to devise a strategy to complete the Self-Assessment in a way that is most beneficial to the business. A possible model might include assigning each assessment Category to a team. Creating a separate Assessment Writing Team to refine the Category Teams' answers might add value. The Assessment Writing Team might also write the first section (Organizational Profile) with significant input from the senior managers.

Second, The Draft Assessment
In this model, when each Category Team completes its work, the Assessment Writing Team would swing into action. The Assessment Writing Team would assemble the findings of each Category Team and create a succinct assessment within the limited number of pages and ensure cross content integration/compatibility.

Third, Consensus Meeting
When the Assessment Writing Team has completed its assignment, all participants would meet and ensure consensus. *The purpose of this meeting is to reach consensus on the Self-Assessment Submission, not to achieve a unanimous decision.* This meeting, approached correctly could positively impact the future of the business. When consensus is reached for the content in all seven Categories and the Organizational Profile, each member of the team, although not required, is encouraged to sign the Transmittal letter, which is part of the Self-Assessment Submission.

Your Self-Assessment and Feedback Template

To make the process easier, we have provided a *Ones to Watch: Discovery Self-Assessment Template*. Space for the Examiner Feedback component is incorporated into the Template. Thus, when receiving your feedback, it will be easy to compare the

feedback to what you submitted for each Category. Your Self-Assessment should not exceed 36 pages, including the embedded questions within the template, but *excluding the Cover Page, the one page transmittal letter, the one-page Examiner feedback placeholders in each Category and the Examiner Team Observation Summary at the end*. Although not required, it is helpful for saving space and to Examiners if you embed figures/tables/graphics related to the Organizational Profile, Categories 1-6 and Category 7 into the document instead of providing narrative explanations. These figures/tables/graphics may use a smaller font ((not less than font 8) but must still be legible. For Category 7, small (legible) charts and graphics in each of the five results areas are highly encouraged.

Within the 36 page limit, the following is a potential but not required guide.

Section	Page Limit
Organizational Profile	6 pages including embedded questions and graphics
Categories 1-6	24 pages including embedded questions and graphics
Category 7	6 pages including embedded questions and graphics

IMPORTANT: Please do not alter the template in any way to maintain its integrity including its configuration and the type fonts and sizes. Likewise, keep within the 36 overall page limit as defined above. Failure to do so can result in your initial submission being returned to you for refinement and a delay in receiving your feedback.

Self-Assessment Content
The ability to succinctly articulate your business's level of maturity relative to each Category in a limited number of pages is in and of itself a measure of maturity. Ones to Watch: Discovery is meant to be a learning opportunity so you are encouraged to use the process to understand and document both your strengths and your opportunities for improvement. It is also intended to help your organization improve by prompting the documentation of and achieving consensus for what is needed in areas that may be less mature. Indeed, the Ones to Watch: Discovery self-evaluation is intended to cause serious self-reflection within your organization based on core *Baldrige Excellence Framework* Criteria for Performance Excellence concepts.

Also, when developing your written Self-Assessment, remember you are preparing a response for a Virginia SPQA Examiner Team who will not be visiting your site or reviewing your website. The Team is solely dependent on your written Self-Assessment when evaluating your response to the Categories. Also, Examiners can only understand who you are and what is important to your organization if you create an accurate and thorough account of your organization by addressing all of the questions in the Organizational Profile. Taking the time to document who you are, where you are, and where you think you should be will only enrich the feedback you receive.

SPQA Mentor Role during the Ones to Watch: Discovery Self-Assessment Phase
As stated above the SPQA Mentor reinforces your Ones to Watch training during the Self-Assessment process and can help you better understand the template and how to complete it. The Mentor can also help you gain a better understanding of the Malcolm Baldrige Excellence Framework and how the Criteria for Performance Excellence relate to the discussion areas in the template. During this phase of Ones to Watch, the Mentor cannot act as a business consultant and will not assist with, or provide content suggestions for, conducting and writing your Self-Assessment.

Feedback to Ones to Watch Businesses
All Ones to Watch businesses will receive feedback. The Examiner Team will review the business's *written Ones to Watch: Discovery Self-Assessment* and develop a Feedback Report inside the written Self-Assessment document using the space reserved in the Template. As such; at the end of the process, there is only one document that includes both your business's Self-Assessment and the Feedback Report. Additionally, the Examiner Team will provide verbal feedback via teleconference to help clarify their written feedback for the business. The written and verbal feedback for Ones to Watch is intended to be educational and to contribute to a business's performance improvement. For many businesses, Ones to Watch: Discovery serves as a way to learn more about the *Baldrige Excellence Framework* and may be a prelude to applying for the Medallion Award within SPQA's Award and Recognition Program.

Your business's Ones to Watch: Discovery Self-Assessments will not be judged or scored. The intent of the feedback is to help you determine if you are on the right track relative to understanding fundamental performance concepts and if you are able to articulate how your organization's processes compare to the fundamentals of the Criteria for Performance Excellence. Ones to Watch: Discovery offers no site visits or face to face feedback sessions with the Examiner Team. The Examiner Observations provided are based entirely on your ability to communicate performance in a manner that shows an understanding of the Criteria.

In the *Process Maturity* section, examiners address what SPQA is looking for relative to the basic maturity of the processes and methods you describe in each Process Discussion Area. Here, the Examiners are looking for how you address the fundamental maturity indicators (**Approach** and **Deployment**). This applies to Categories 1-6 and their associated Process Discussion Areas a and b. The Examiners use a series of predetermined statements to indicate their overall impression of your responses to each of the Process Discussion Areas (a and b) and elaborate by making observations around "what they saw" and "what they didn't see" and offer improvement suggestions.

In the *Results Maturity* section, the focus is on your ability to demonstrate how you measure the success of your organization's processes and methods previously identified in Categories 1-6. As in the case of Process Maturity, albeit from a slightly different perspective, the Examiners are looking for fundamental or basic maturity indicators (**Levels** and **Trends**) in the way Results are discussed and portrayed. This applies to Category 7 and its associated Results Discussion Areas a through e. Like the Process Discussion Areas, for Category 7, a series of pre-determined statements are used to indicate an overall impression. However, although there are five Results Discussion Areas, unlike the Process Discussion Areas, the Examiners provide one set of overarching feedback and observations for all of Category 7.

Finally, at the end, there is a *Team Observation Summary* intended to share overarching observations and comments, summarize the Examiner Team's impressions of your organization's maturity, and offer overarching opportunities for improvement.

Self-Assessment Submission

Please submit an electronic copy in MS Word only. Since, examiners use the template to create the Feedback Report, a PDF will not be accepted. Transmit your completed Ones to Watch: Discovery Self-Assessment to Virginia SPQA within 45 days of the date your business received the Ones to Watch training. Participants will be notified when submissions are received. Your Self-Assessment Submission should be emailed to:

OnestoWatch@spqa-va.org

The Ones to Watch: Discovery Self-Assessment Framework

Organizational Profile: What we are looking for

Your Organizational Profile is critically important because:

- It is the most appropriate starting point for self-assessment.
- It is a snapshot that describes your organization and the environment in which it operates.
- It helps you identify potential gaps in key information.
- It helps you to focus on key performance requirements and business results.
- It is used by the Examiners in reviewing your Self-Assessment to understand your organization and what you consider important.

The *Organizational Profile* is a snapshot of your organization, the key influences on how you operate, and the key challenges you face. The *Ones to Watch: Discovery Self-Assessment Template* (illustrated in the Appendix) divides the Organizational Profile into five sections.

1. **Organizational Environment**
2. **Organizational Relationships**
3. **Competitive Environment**
4. **Strategic Context**
5. **Performance Improvement System**

Each Section contains a series of questions that you are asked to address. Considering the page limit, please keep your responses brief.

The *Organizational Profile* and the process for creating it are possibly the most important parts of the Ones to Watch: Discovery process. For some organizations, the *Organizational Profile* may be used by itself as an initial self-evaluation. If you identify topics for which conflicting, little, or no information is available, it is possible that the Organizational Profile can serve as a complete assessment, and you can use these topics for action planning.

Process Maturity (Categories1-6): What we are looking for

The Baldrige Excellence Framework method of assessing process maturity is based on the relative depth of maturity or sophistication in four areas; Approach, Deployment, Learning, and Integration (ADLI).

In evaluating your response to each Process Discussion Area, the Examiners will look for evidence in your narrative to determine how well the processes and methods you identify relate to the ADLI concepts. For each Process Discussion Area, the Examiners look for answers to the following with a particular focus on A and D:

- **Approach.** Are approaches, i.e., methods and/or processes identified? How mature/sophisticated are they relative to what would be resource-reasonable for your organization? How long have they been around? Are they in writing and/or well known?
- **Deployment.** Are the approaches fully deployed (well implemented and established) among those affected? How long have they been deployed? Are they deployed in a way which ensures they are working as intended?
- **Learning**. Are the approaches regularly reviewed for improvement? Do the approaches provide information to enable improvement in other areas?
- **Integration**. Are approaches aligned with the organizational needs identified in the Organizational Profile? Are approaches, plans and actions harmonized across processes and work units to support organization-wide goals? Are your measures, information, and improvement systems complementary across processes and work units?

Review of the Baldrige Excellence Framework will provide additional information on the ADLI concept.
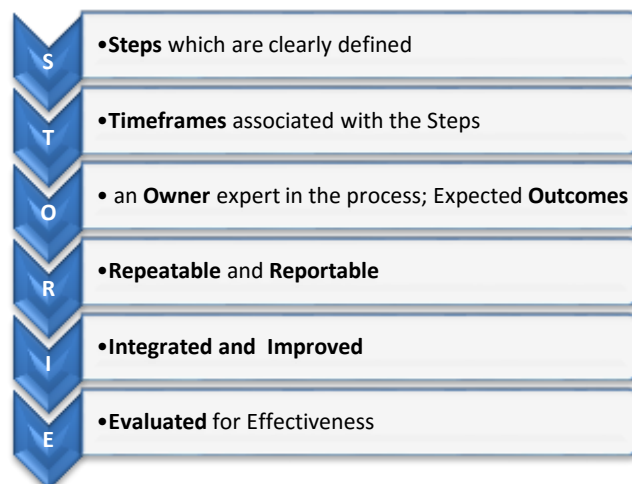
The Importance of Story Telling

A Ones to Watch: Discovery Self-Assessment requires a business to tell a story about each of its KEY processes and/or methods applicable to the Process Discussion Area. To the extent practical, stories should be able to at least address the ADLI fundamentals of **Approach** and **Deployment**, clearly and concisely for each process identified. In telling these stories, most organizations that conduct their first Self-Assessment fall into one of the following categories:

1. There is a great story to tell, but because the *maturity concept* (relating to ADLI) is not fully understood, it is not clearly articulated.
2. There is not a great story to tell relative to process maturity, so the organization describes what it has the best it can.

More mature organizations are able to tell their great story in the context of ADLI or the *maturity concept*. The ability of an organization to easily articulate the ADLI story behind its KEY processes and methods is in and of itself a positive indicator. When there is not a great story to tell, it is especially important for opportunities for improvement to be self-identified. Helping organizations to understand the need for improvement and to identify specific opportunities is an essential part of the Ones to Watch: Discovery Program.

Another way to remember that *Story Telling* is important in conveying the maturity of your processes is found in the acronym **STORIE**. A mature systematic process, i.e. a process described in the *maturity concept* sense has or is:

S • **Steps** which are clearly defined

T • **Timeframes** associated with the Steps

O • an **Owner** expert in the process; Expected **Outcomes**

R • **Repeatable** and **Reportable**

I • **Integrated** and **Improved**

E • **Evaluated** for Effectiveness

For each Process Discussion Area, the Examiners will read and evaluate your Self-Assessment narratives, tables and graphs and provide written feedback based on the following two perspectives. Both perspectives work together as indicators of overall organizational maturity in evaluating each Process Discussion Area.

1. **Your description of your business's Approach(es) in the context of activities that address the Discussion Area**. Understanding the range of activity associated with a Process Discussion Area as it contributes to overall success is essential to conducting a baseline Self-Assessment which identifies where your organization is today or needs to be as related to the subject. The Self-Assessment narrative should describe the range of activities to address the full scope of the Process Discussion Area. The narrative should definitely include activities, which are currently underway; planned and/or desired that support the Discussion Area.

2. **Your description of the Deployment of your Approach(es) in the context of the activities identified that address the Discussion Area.**

In addition to being able to describe your organization's range of <u>current</u>, <u>planned</u> and/or <u>desired</u> activities to address the full scope of the Process Discussion Area, your narrative also needs to describe the level of sophistication relative to implementation of these activities. You must be able articulate how activities associated with the Process Discussion Area are being deployed in a systematic and methodical manner. Activities which are not being deployed in a systematic and methodical manner may represent opportunities for future improvement including how they impact other Discussion Areas.

1. Leadership

In your discussion of these areas, regardless of the methods you use, the Examiners are looking for evidence of breadth in methods and maturity of each. Of the two, maturity has the most impact. Likewise, the Baldrige Criteria are not prescriptive. The purpose of noting processes often found in this area is purely educational and not an expectation for how your organization should operate.

Process Discussion Area:

a. **Describe how senior leaders lead and how their personal actions guide and sustain your organization.** Answering the following questions may enhance your discussion.
- How do they set vision and values?
- How do their actions demonstrate their commitment to legal and ethical behavior?
- How do their actions build an organization that is successful now and in the future?
- How do they communicate with and engage the entire workforces and key customers?
- How do they create a focus on action that will achieve the organization's mission?

Suitable Processes: What we are looking for-

This Discussion Area is fundamentally about <u>how senior leaders lead</u> and the KEY ways leadership information is "pushed" to and "pulled" from the workforce and key customers. It is followed by how the information is actually used to improve the organization's performance especially in areas of innovation and customer engagement (customers' commitment to an organization's brand, products and/or services). This Area is also about how leaders sustain and move the organization toward an envisioned future.

Workforce communication methods and processes often found in this area include large and small employee meetings hosted by leadership, brown bag leadership lunches at multiple levels, newsletters, and technology applications ranging from emails, to chats and social networking applications. Other methods identified include the organization's performance management system which translates leadership goals to individual employee goals. It is also not unusual to find Leadership feedback systems such as employee surveys, focus groups and the use of Leadership 360° assessments. Examples of customer communication methods and processes include quarterly program reviews with customers or periodic, e.g. annual meetings of senior leaders with business to business key customer CEOs, senior leaders' participation in focus groups, and hosting customer appreciation days. Examples of leadership processes that help sustain an organization may include regular review of operational dashboards, annual leadership off sites to discuss ongoing mission, vision and strategic goals.

> **Maturity Example**: An organization has quarterly "all-employee" meetings. First, does it actually occur quarterly? Second, does each session include components which not only "push" information, but "pull" information from attendees and how sophisticated is that element? Third, how does the quality of the "all-employee" meeting improve over time? Finally, how is the information "pushed" and "pulled" used to affect improvement in other areas?

Note: Some of these methods might be repeated in other Discussion Areas to satisfy different objectives.

Process Discussion Area:

b. **Describe how you govern your organization and how your organization fulfills its legal and ethical and societal responsibilities.** Answering the following questions may enhance your discussion.
- How does your organization ensure responsible governance?
- How do you evaluate the performance of your senior leaders, including the chief executive and your governance board?
- How do you anticipate and address public concerns with you products and operations?
- How do you promote and ensure ethical behavior in all interactions?
- How do you consider societal well-being and benefit as part of your strategy and daily operations?
- How do you support and strengthen you key communities?

Suitable Processes: What we are looking for-

This Discussion Area is fundamentally about the KEY ways Leadership runs the organization to ensure it does the right thing from both a business and values stewardship perspective.

The methods and processes often found in this area include those processes associated with well-stablished leadership groups with governance responsibilities. Other processes include approaches to decision-making, diversity, equal opportunity, ethical behavior, and environmental and regulatory compliance. Additionally, this area includes community and social outreach methods and processes used by the organization. Finally, individual performance systems often specify proper behavior at the individual level.

> **Maturity Example**: An organization conducts annual Ethics Training. First, how is the training conducted? Second, is there an attendance goal, if so, is it met? Third, how is effectiveness measured and how does the content evolve? Finally how are the training discoveries used to improve other aspects of the organization?

Note: Some of these methods might be repeated in other Discussion Areas to satisfy different objectives.

2. Strategy

In your discussion of these areas, regardless of the methods you use, the Examiners are looking for evidence of breadth in methods and maturity of each. Of the two, maturity has the most impact. Likewise, the Baldrige Criteria are not prescriptive. The purpose of noting processes often found in this area is purely educational and not an expectation for how your organization should operate.

Process Discussion Area:

a. **Describe how your organization develops its strategy and strategic objectives.** Answering the following questions may enhance your discussion.
   - How do you conduct your strategic planning?
   - How does you strategy development process stimulate and incorporate innovation?
   - How do you collect and analyze relevant data and develop information for you strategic planning process?
   - What are you key work systems?
   - What are you key strategic objectives and timetable for achieving them?
   - How do your strategic objectives achieve appropriate balance among varying and potentially competing organizational needs?

Suitable Processes: What we are looking for-
This Discussion Area is fundamentally about how the organization creates strategic objectives and goals and its ability to articulate them.

The methods and processes often found in this area include elements of a strategic management cycle such as Plan-Do-Check-Act (PDCA), which is a traditional overarching strategic planning and management approach integrated with many Categories. Aspects of this area also include efforts to collect information from customers, employees and others as inputs to the strategic planning process. Many organizations identify an environmental assessment or a Strengths, Weaknesses, Opportunities, and Threats (SWOT) assessment as inputs to these efforts. Processes may also include how the organization identifies its structure and systems to accomplish the work of the organization and how key work system decisions, which are strategic in nature, are made. In the most basic view of an organization, there may be three generic work systems: production, customer interface (e.g. sales and marketing), and general and administrative support.

> **Maturity Example**: An organization has leadership planning retreats as one approach to strategic planning. First, who is involved, how is information gathered and used during the retreat, how often does it occur and what does it drive? Second, do sessions occur when planned, how does the information drive actions? Third, how do these retreats improve over time? Finally how is the information from the retreats used to effect improvement in other areas?

Note: Some of these methods might be repeated in other Discussion Areas to satisfy different objectives.

Process Discussion Area:

b. **Describe how your organization implements strategy, i.e. develops action plans, implements them, changes them if circumstances require, and measures progress.** Answering the following questions may enhance your discussion.
  - What are your key short- and longer-term action plans?
  - How do you deploy your action plans?
  - What are your key workforce plans to support your short- and longer-term strategic objectives and action plans?
  - What key performance measures or indicators do you use to track the achievement and effectiveness of action plans?
  - For these key performance measures or indicators, what are your performance projections for your planning horizons?

Suitable Processes: What we are looking for-
This Discussion Area is fundamentally about the KEY processes and methods used by an organization's leadership to convert high level strategic goals into actions where progress can be systematically monitored – changing strategy as needed based on information.

The methods and processes often found in this area integrate with the Plan-Do-Check-Act construct outlined in 2a. Use of Strategy Execution Team Charters, Gantt charts and other ways to demonstrate a systematic approach to execution of strategy are often described. Strategic Management Systems which cause senior executives to actively review progress relative to strategic goals and make changes on a periodic basis are often found in this Category.

Note: Some of these methods might be repeated in other Discussion Areas to satisfy different objectives.

> **Maturity Example**: An organization has a strategic plan that needs to be executed as an approach in this Category. First, are the action items for each goal clear, with a person/team accountable? Second, is there a timeline with a specific activity, cost, etc.? Third, is the effort reviewed periodically – based on performance measures? Finally, how is the effort impacting other areas?

3. Customers

In your discussion of these areas, regardless of the methods you use, the Examiners are looking for evidence of breadth in methods and maturity of each. Of the two, maturity has the most impact. Likewise, the Baldrige Criteria are not prescriptive. The purpose of noting processes often found in this area is purely educational and not an expectation for how your organization should operate.

Process Discussion Area:
a. **Describe how you listen to the Voice of the Customer (VOC) and obtain information from your customers.**
    Answering the following questions may enhance your discussion.
  - How do you listen to, interact with, and observe customers to obtain actionable information?
  - How do you listen to potential customers to obtain actionable information?
  - How do you determine customer satisfaction, dissatisfaction, and engagement?
  - How do you obtain information on customers' satisfaction with you organization relative to other organizations?

Suitable Processes: What we are looking for-
This Discussion Area focuses on KEY methods and processes your organization uses to ensure it can sustain its future through understanding its current and potential customer base, what they want, where they are going, and how your products and services adapt to match their future needs. It includes processes for determining their satisfaction, engagement, and dissatisfaction.

The methods and processes often discussed in this area include current and potential customer focus groups, satisfaction and engagement surveys as well as market research methods and processes. Because of its broad applicability, customer relationship management systems may be identified in this and the next Discussion Area. Other processes often mentioned in this Discussion Area relate to how you obtain customer feedback on your products and services through means other than surveys.

Note: Some of these methods might be repeated in other Discussion Areas to satisfy different objectives.

Maturity Example: An organization offers surveys to customers as a KEY process. First, in addition to satisfaction issues, does the approach help to determine customer engagement? Second, how broad is the participation, are the right people participating, and how do they know their participation counted? Third, is the collected information actionable? Finally, is social media being used?

<u>Process Discussion Area:</u>
b. **Describe how you engage customers by serving their needs and building relationships.** Answering the following questions may enhance your discussion.
- How do you determine product or service offerings?
- How do you enable customers to seek information and support?
- How do you determine your customer group and market segments?
- How do you build and manage customer relationships?
- How do you manage customer complaints?

<u>Suitable Processes: What we are looking for-</u>
This Discussion Area is fundamentally about how the organization determines its product requirements and about how the organization keeps and engages customers as strategic partners in a greater enterprise for mutual benefit.

The methods and processes often found in this area relate to customer relationship management systems, including systems which answer questions, provide technical support, adjudicate complaints and reward repeat business. Other processes may include how current and future customer and market requirements are determined. For pro-active organizations, it is not unusual to include processes and methods like focus groups which engage customers in the design and improvement of products and services for the future.

Note: Some of these methods might be repeated in other Discussion Areas to satisfy different objectives.

Maturity Example: An organization has a 1-800 number for customers to call for complaints as well as a place to lodge complaints on the website. First, is it relatively easy for a customer to get through on the phone or navigate the website? Second, how qualified are the employees who receive the complaint? Third, how quickly and how well is the complaint resolved and is the information that is collected used to improve the complaint system? Finally, how is the information used to improve customer satisfaction and to affect other processes?

4. Measurement, Analysis and Knowledge Management

In your discussion of these areas, regardless of the methods you use, the Examiners are looking for evidence of breadth in methods and maturity of each. Of the two, maturity has the most impact. Likewise, the Baldrige Criteria are not prescriptive. The purpose of noting processes often found in this area is purely educational and not an expectation for how your organization should operate.

<u>Process Discussion Area:</u>
a. **Describe how you measure, analyze, review, and then improve organizational performance.** Answering the following questions may enhance your discussion.
- How do you use data and information to track daily operations and overall organizational performance?
- How do you select and effectively use comparative data and information?
- How do you use Voice-of-the-Customer (VOC) and market data and information?

- How do you ensure that your performance management system can respond to rapid or unexpected organizational or external change?
- How do you review your organization's performance and capabilities?
- How do you share best practices in your organization?
- How do you project your organization/s future performance?

Suitable Processes: What we are looking for-

This Discussion Area examines how the organization effectively selects, manages, and uses data and information to improve organizational planning and performance improvement. This area is often referred to as the "brain center" for the alignment of organizational operations with its strategic objectives. This is where an organization would discuss how it compares itself to competitors or other similar organizations, or benchmarks and uses these comparisons to improve and support decision making. Also, this area examines how the organization uses customer data, e.g. survey and complaint data to support decision making.

> **Maturity Example**: An organization has chosen the Balanced Scorecard as a key process in this Category. First, are the outcomes in each area sufficiently defined including leading and lagging indicators, balanced, and related to organizational goals? Second, is the information sufficiently mature and visible so the data is understood? Third, is the information used to systematically manage improvement? Finally, is the information used to cause improvement across Scorecard areas?

The methods and processes often found in this area include "Balanced Scorecard," input-output-outcome models, and other types of measurement systems. Other methods and processes often found in this Category relate to how the performance information systems, both qualitative and quantitative are related to the development and systematic execution of strategy. Processes connecting customer data to strategy and operations are often discussed.

Note: Some of these methods might be repeated in other Discussion Areas to satisfy different objectives.

Process Discussion Area:

b. **Describe how your organization manages its knowledge assets, information, and information technology infrastructure.** Answering the following questions may enhance your discussion.
- How do you manage organizational knowledge?
- How do you use knowledge and resources to embed learning in the way your organization operates?
- How do you verify and ensure the quality of the organizational data and information?
- How do you ensure the security of sensitive or privileged data and information?
- How do you ensure the availability of organizational data and information?
- How do you ensure that hardware and software are reliable, secure, and user-friendly?
- In the event of an emergency, how do you ensure the hardware and software systems and data and information continue to be secure and available to effectively serve customers and business needs?

Suitable Processes: What we are looking for-

This Discussion Area examines how the organization ensures the quality, integrity, reliability and availability of accurate and timely data and information as well as ensuring reliable, secure and user friendly software, and hardware even during emergencies. It also addresses how an organization builds and manages its knowledge assets. High performing organizations make data and information available and accessible to all appropriate users and its hardware systems and software are reliable and user friendly. In high performing organizations, every appropriate person, from top leaders to individual workers; and every customer and stakeholder, as appropriate, has access to the data they need to make decisions about their work.

Methods and processes often found in this area include collaborative work and/or file sharing systems, information assurance efforts, quality control efforts for data, and continuity of operations plans (COOP), intranet, and internet web sites among others. Processes to manage knowledge assets including the retention of knowledge for retiring workers are found in this area.

> **Maturity Example**: An organization lists its COOP as a key process. First, is it based on standards and updated systematically? Second, has there been training and does everyone understand their roles - has it been tested? Third, if so, has the COOP been updated as a result? Finally, does the COOP sufficiently link to external COOPs as needed?

Note: Some of these methods might be repeated in other Discussion Areas to satisfy different objectives.

5. Workforce

Process Discussion Area:

a. **Describe how your organization builds an effective and supportive workforce environment to accomplish your organization's work.**   Answering the following questions may enhance your discussion.
   - How do you assess your workforce capability and capacity needs?
   - How do you recruit, hire, place, and retain new workforce members?
   - How do you organize and manage your workforce?
   - How do you prepare your workforce for changing capability and capacity needs?
   - How do you ensure workplace health, security, and accessibility for the workforce?
   - How do you support your workforce via services, benefits and policies?

Suitable Processes: What we are looking for-

This Discussion Area is fundamentally about the KEY ways the organization ensures that work is being done; how the organization determines how many and what types of employees it needs to get the work done; and ways that the organization recruits, hires, and retains employees who will meet the skill requirements required to position the organization for future success and sustainability. It examines how the organization ensures and improves workforce security and health and workplace accessibility and supports the workforce via benefits and policies.

The methods and processes often found in this area are purposed to identify and maintain the workforce's knowledge, skills, abilities, and competencies to accomplish the organization's work. Processes that assess current and future workforce capabilities and respond to identified needs by hiring, training, and mentoring are often mentioned. Processes for managing and organizing the workforce to get work done are frequently mentioned. Variable hours, telework, and other quality of life initiatives are often discussed. Likely Discussion Area topics also include descriptions of how the organization addresses its responsibility to make sure regulatory standards on workplace health and security are met.

Maturity Example: An organization identifies its Telework Program. First, is there a clear approach? Second, how widely is it deployed, i.e., do all supervisors buy-in, is it used?   Third, how does it evolve? Finally, how key is it to success in other areas such as retention?

Note: Some of these methods might be repeated in other Discussion Areas to satisfy different objectives.

Process Discussion Area:

b. **Describe how your organization engages, manages and develops its workforce to achieve a high performance work environment and utilize the workforce's full potential in alignment with overall business needs.** Answering the following questions may enhance your discussion.
   - How do you foster an organizational culture that is characterized by open communication, high performance, and an engaged workforce?
   - How do you determine the key drivers of workforce engagement?
   - How do you assess workforce engagement?
   - How does your workforce management system support high performance and workforce engagement?
   - How does your learning and development system support the organization's needs and the personal development of your workforce members, managers, and leaders?
   - How do you evaluate the effectiveness and efficiency of your learning and development system?
   - How do you manage career progression in your organization?

Suitable Processes: What we are looking for-
This Discussion Area is fundamentally about workforce and leader performance management, learning and development processes and determining workforce satisfaction and engagement. It examines KEY ways that the organization assesses workforce engagement and performance and responds to ensure high performance, continual improvement and innovation. It examines how an organization engages, compensates and rewards employees; develops both employees and leaders; and assesses the level of engagement; and how the organization creates a good working environment.

> **Maturity Example**: An organization has an individual performance management system which calls for annual individual performance plans. First, are the plans developed so the employee is clear about expectations? Second, do systematic supervisor/employee reviews occur and if so, how is quality measured? Third, is there a learning effort to assess quality and extract information for the organization? Finally, are employee plans aligned/ integrated to organizational plans?

Frequently found processes include employee training programs such as periodic mandatory training, new employee orientation, technical training and professional development programs. Also, the methods and processes often found in this area focus on how employees are engaged, both emotionally and intellectually, and how that information is used to improve individual and organizational performance. Annual Employee performance evaluation systems are often examined here. Compensation and reward systems are typical of methods and processes listed and may be tied to demonstrated skills or peer evaluations. Organizational reward and recognition approaches are often listed including profit sharing, peer to peer recognition, and rewards for exemplary team performance. Employee feedback systems, e.g., surveys, focus groups, etc. along with how they are used to improve the organization are also frequently mentioned in this Discussion Area.

Note: Some of these methods might be repeated in other Discussion Areas to satisfy different objectives.

6. Operations

In your discussion of these areas, regardless of the methods you use, the Examiners are looking for evidence of breadth in methods and maturity of each. Of the two, maturity has the most impact. Likewise, the Baldrige Criteria are not prescriptive. The purpose of noting processes often found in this area is purely educational and not an expectation for how your organization should operate.

Process Discussion Area:
a. **Describe how your organization designs, manages, and improves its key products and work processes.** Answering the following questions may enhance your discussion.
- How do you determine key product and work process requirements?
- How do you design your products and work processes to meet requirements?
- How does your day-to-day operation of work processes ensure that they meet key process requirements?
- How do you determine your key support processes?
- How do you improve your work processes to improve products and performance, enhance your core competencies, and reduce variability?
- How do you manage innovation?

Suitable Processes: What we are looking for-
This Discussion Area is fundamentally about the KEY approaches the organization uses to identify critical processes within key work systems, how processes, including internal support processes are managed and measured, and how processes are continually improved to better support customer requirements and expectations. It also examines how the organization manages innovation, i.e. how are: (1) ideas generated; (2) decisions made to pursue, resource, and implement them; and (3) these decisions linked to strategic objectives.

> **Maturity Example**: An organization lists its Lean Six Sigma Program as key. First, is there an understanding of how processes are reviewed and prioritized for improvement relative to strategy? Second, is there sufficient knowledge and commitment to implement the initiatives to fulfillment? Third, are the improvements reviewed for effectiveness? Finally, are the methods replicated in other areas?

Methods and processes often discussed in this area include approaches to managing and systematically improving products and key work processes which may be as simple as developing detailed process flow charts. Other methods frequently mentioned are Lean Enterprise System, Six Sigma, International Organization of Standards (ISO), Capability Maturity Model Integration (CMMI) programs, etc. Lists of product and service delivery processes and support processes may be furnished along with information on how an organization knows when these processes are working well. Idea

generation processes like suggestion boxes may be discussed. Processes that tie decisions to implement ideas to the organization's strategic planning efforts may be mentioned.

Note: Some of these methods might be repeated in other Discussion Areas to satisfy different objectives.

Process Discussion Area:
b.   **Describe how your organization ensures effective management of its operations.** Answering the following questions may enhance your discussion.

- How do you control the overall costs of your operations?
- How do you manage your supply chain?
- How do you provide a safe operating environment?
- How do you ensure that your organization is prepared for disasters or emergencies?

Suitable Processes: What we are looking for-
The Discussion Area is fundamentally about KEY ways to control the cost of operations, managing the supply chain, keeping operations safe, and being prepared for emergencies.

Maturity Example: An organization discusses how it communicates with suppliers through its supplier portal on its web site. First, are suppliers made aware of this vehicle for communication and given access? Is it user friendly and does it allow two-way communication? Second, how is the information exchange managed and used to address issues and improve communication and relationships? Third, are the improvements reviewed for effectiveness? Finally, are the methods duplicated for other suppliers?

Methods and processes often discussed in this area include approaches to systematically increase process efficiency and effectiveness to control costs. Processes to select, manage and communicate with suppliers are often discussed. Processes to prevent accidents and workplace safety inspections may be discussed. Contingency plans and emergency preparedness plans are often discussed. Idea generation processes like suggestion boxes may be discussed.

Note: Some of these methods might be repeated in other Discussion Areas to satisfy different objectives.

Results Maturity (7): What we are looking for

The Baldrige Excellence Framework method of assessing results maturity is based on the relative depth of sophistication in four areas; Levels, Trends, Comparisons, and Integration (LeTCI).

Levels ▶ **Trends** ▶ **Comparisons** ▶ **Integration**

In evaluating your response to each Result Discussion Area, the Examiners will look for evidence to determine how well the results of your processes and methods relate to the LeTCI concepts. For each Result Discussion Area, the Examiners look for answers to the following with a particular focus on L and T:

- **Levels.** Has results oriented information been presented or portrayed relevant to the Result Discussion Area? Is there a clear link between this information and the process(es) and methods discussed in Categories 1-6?

Review of the Baldrige Excellence Framework will provide additional information on the LeTCI concept.

- **Trends.** Are there trends associated with the results oriented information? If so, is there enough information to determine how favorable the trends are?
- **Comparison**. Has information been presented relative to how the results oriented information relates to comparable examples from competitors, benchmarks, or other appropriate organizations?
- **Integration**. Do the results address important customer or product requirements identified in the Organizational Profile? Are results harmonized across processes and work units to support organization-wide goals?

The Importance of Portrayal

A picture is worth a thousand words. To the extent practical, results oriented portrayals should be able to highlight at least the LeTCI <u>fundamentals</u> of **Levels** and **Trends**. Graphics are helpful tools to show Levels, Trends, and Comparisons at the same time. Results are usually the most difficult area for organizations. Most fall into one or more of the following categories:

1. Much information is available and provided – sometimes satisfying fundamental LeTCI concepts, but the KEY results related to the KEY processes have never been determined.
2. Information is provided and can satisfy fundamental LeTCI concepts, but there is no discernible link to the processes and methods articulated in Categories 1-6 and/or the goals and objectives of the organization.
3. Information is provided, but is simply not mature enough to make the maximum contribution to leadership, i.e., anecdotal, not systematic, etc.

The ability of an organization to present its KEY results in a manner which shows an understanding of LeTCI is a positive indicator. For Ones to Watch: Discovery, acknowledgement of opportunities for improvement in this Category is also a positive indicator.

The Category is looking for the portrayal of <u>actual data and results used by the organization</u>, not merely examples of data it might use. Graphs and charts should be readable and be straightforward so the Examiner Team can interpret the data and understand its meaning. The Examiner Team is looking for evidence that the results that are shown are desirable to the organization, i.e. the results are good for the organization.

 For the Category 7 Results section, the Examiners will provide one overall indication of their impression of this Category by checking one of the following general statements that relate to the Baldrige core methods of evaluating process and results maturity.

☐ Few if any results were provided in the six Discussion Areas/Categories.
☐ A few organizational performance results are reported in a few of the Discussion Areas/Categories.
☐ Organizational performance results are reported in most Discussion Areas/Categories.
☐ Sustained improvement in organizational performance results are reported in all areas/Categories.
☐ Other:

The Examiners will also make some specific observations as to what results they saw or didn't see based on LeTCI and may also make some suggestions about results they might have expected to see based on what seems important to the organization.

7. Results

Results Discussion Areas:

a. Provide your key *product performance and process effectiveness and efficiency* results. Include results for your products and customer service processes. Include results for your process effectiveness and efficiency. Include your emergency preparedness results. Include your supply chain management results. Include appropriate comparative data. Segment your results by product offerings, customer groups, and market segments, and by process types and locations, as appropriate.

b. Provide your *customer-focused performance* results. Include results for customer satisfaction, dissatisfaction and engagement. Include appropriate comparative data. Segment your results by product offerings, customer groups, and market segments, as appropriate.

c. Provide your *workforce-focused* results. Include your workforce capability and capacity results. Include workforce climate results (e.g. health, safety, security, services, and benefits). Include your workforce engagement results.   Include your workforce and leader development results. Include appropriate comparative data. Segment your results to address the diversity of your workforce and to address your workforce groups and segments, as appropriate.

d. Provide your *senior leadership and governance* results. Include results for senior leader communication and engagement

with the workforce and customers. Include results for governance accountability, including those for fiscal accountability. Include legal and regulatory results, along with results for ethical behavior, societal responsibility and support of key communities. Include results for the achievement of your organizational strategy and action plans. Include appropriate comparative data. Segment your results by organizational units, as appropriate.

e.   Provide your *financial and marketplace* performance results by market segments or customer groups, as appropriate. Include appropriate comparative data.

Results Portrayal: What we are looking for

The five Results Discussion Areas examine the performance and improvement measures identified by the organization as being KEY to its success. Category 7 reflects timely measures (weekly, quarterly, annual as applicable) of performance for evaluation and improvement of an organization's processes, products, and services, which are aligned with overall organizational strategy, goals and direction and which are produced by those processes and methods the organizations outlines in Categories 1-6.

For example, an organization lists its employee Mentor Program as a KEY process in Category 5. Results of this program would be included as part of the 7c discussion. One view of results could simply be "participation" – not unusual if the effort is new. Another view of results could be "user value" identified through surveys, etc.   Likewise, if the purpose of the program is to address "employee retention of young people" that also might show up. Thus, multiple Results are often associated with one process.

Processes and methods have purposes and outcomes intended to be achieved. The question is which are KEY results, i.e., what outcome does the process really intend to affect? Indeed, there might be multiple processes directed toward the same outcome.

> **Maturity Example**: An organization lists its employee Mentor Program as a KEY process in Category 5 – thus an expectation of Results. First, has a relationship between the Mentor Program and Results been established? If so, is there evidence of baseline information? Is there evidence of baseline information as it changes over time?   Is there comparable information from other organizations? Is there information regarding how these results affect other areas?

GLOSSARY

Action Plans - Specific actions that your organization takes to reach its short- and longer-term strategic objectives.

Approach - The methods (processes) your organization uses to carry out its processes.

Basic Requirements - The most central concept of a Ones to Watch: Discovery Discussion Area reflected by bolded text at the beginning of a Discussion Area.

Core Competencies - Your organization's areas of greatest expertise, those strategically important capabilities that are central to fulfilling your mission or that provide an advantage in your marketplace or service environment.

Customer Engagement – Your customers' investment in or commitment to your brand and product offerings. Characteristics of an engaged customer include retention and loyalty, willingness to make an effort to do business with your organization, and willingness to actively advocate for and recommend your brand and product offerings.

Customer Satisfaction – The measure of how well you meet the expectations of your customers concerning the products and services provided by your organization.

Deployment - The extent to which your organization applies an approach in addressing the requirements of a Discussion Area.

Effective - How well a process or a measure addresses its intended purpose.

Goals - Future conditions or performance levels that your organization intends or desires to attain.

How - The systems and processes that your organization uses to achieve its mission requirements. In responding to HOW questions in each Discussion Areas include information on your approach (methods and measures) deployment, learning, and integration. In other words, tell your **STORIE** (see page 9 or this Guide).

Maturity – Maturity is how well the organization describes its methods/processes (approaches) or results in the context of the Discussion Area's Basic Overall, and Multiple Requirements as well as Approach-Deployment-Learning-Integration or Levels-Trends-Comparisons-Integration, respectively. Immature processes are more reactive to problems rather than systematic and effective. Mature processes are systematic, effective, and well integrated with other processes and support key strategic and operational goals. Immature results are characterized by being poor, lacking trend data and comparative information and are not significant to the accomplishment of an organization's mission. Mature results show excellence performance levels and trends and show good relative performance against comparisons. Mature results indicate a likelihood of success because they are linked to the organization's mission, and strategic and operational goals.

Measures and Indicators - Numerical information that quantifies the input, output, and performance dimensions of processes, products, programs, projects, services, and the overall organizations (outcomes).

Multiple Requirements – These requirements are found within the Baldrige Excellence Framework Criteria for Performance Excellence. They represent the individual questions that are asked in each Area to Address including the first boldface question, which is the most important one in that group.   Note: The individual boldface questions are also considered 'overall requirements'.

Overall Requirements – The most important features of a Ones to Watch: Discovery Discussion Area, as elaborated by the questions directly following the Basic Requirements (shown in boldface text at the beginning of each Discussion Area). These are also the boldface questions that appear at the beginning of the Multiple Requirements within the Criteria for Performance Excellence.

Process - Linked activities with the purpose of producing a product or service for a customer (user) within or outside your organization.

Products and Product Offerings – These terms refer to both the goods and services that your organization offers in the marketplace.

Results – Outputs and outcomes achieved by your organization. Results are evaluated based on current performance; performance relative to appropriate comparisons; the rate, breadth, and importance of performance improvements; and the relationship of results measures to key organizational performance requirements.

Segment – One part of your organization's customer, market, product offering, or workforce base. Segments typically are common characteristics that allow logical groupings. In the Discussion Areas, segmenting refers to disaggregating results data in a way that allows for meaningful analysis of your organization's performance. Understanding segments is critical to identifying the distinct needs and expectations of different customer, market, and workforce groups and to tailoring product offerings to meet their needs and expectations.

Senior Leaders – Your organization's senior management group or team.

Strategic Advantages – Those marketplace benefits that exert a decisive influence on your organization's likelihood of future success. These generally arise from either or both of two sources: (1) core competencies, which focus on building and expanding internal capabilities, and (2) strategically important external resources, which are shaped and leveraged by your organization.

Strategic Challenges – Those pressures that exert a decisive influence on your organization's likelihood of future success. They are generally externally driven, although not always. External strategic challenges may relate to customer or market needs or expectations whereas internal challenges may relate to capabilities or human and other resources.

Strategic Objectives – The internal or external aims or responses that your organization articulates to address major change or improvement, competitiveness or social issues, and business advantages. They are what your organization must achieve to remain or become competitive and ensure long-term success. Strategic Objectives set your longer-term directions and guide resource allocation and redistribution.

Support Process – Support processes provide <u>support</u> to the workforce engaged in product design and delivery, customer interactions, and business and enterprise management. Examples are: research and development, call center operations, human resources, information technology, procurement, accounting, maintenance, and supply-chain management.

Systematic – Well ordered, repeatable, and exhibiting the use of data and information so that learning is possible. Approaches are systematic if they build in the opportunity for evaluation, improvement, and sharing, thereby permitting a gain in maturity.

Work Process – Your organization's most important internal value-creation processes. They might include product design, production, and deliver; customer support; supply-chain management; business; and support processes. They are the processes that involve the majority of your organization's workforce.

Work Systems – How your organization's work is accomplished, consisting of the internal work processes and external resources you need to develop and produce products, deliver them to you customers, and succeed in your marketplace. Also, all work needed to produce products and related services to create value for customers and achieve organization success.

Workforce – All people actively supervised by your organization and involved in accomplishing your organization's work, including paid employees as well as contract employees supervised by your organization, and volunteers, as appropriate. Your workforce includes team leaders, supervisors, and managers at all levels.

Workforce Capability – Your organization's ability to accomplish its work processes through its people's knowledge, skills, abilities, and competencies.

Workforce Capacity – Your organization's ability to ensure sufficient staffing levels to accomplish its work processes and deliver products to customers, including the ability to meet seasonal or varying demand levels.

Workforce Engagement – The extent of workforce members' emotional and intellectual commitment to accomplishing your organization's work, mission, and vision. In general, workforce members feel engaged when they find personal meaning and motivation in their work and receive interpersonal and workplace support.

Note: The preponderance of the above definitions are taken from the 2015 Baldrige Excellence Framework Glossary.

Virginia SPQA
Ones to Watch: Discovery Self-Assessment

Discovery
Q

[Organization Name]
[Date Submitted]

[Transmittal Letter – Insert Organization's Letterhead if desired and remove this note]

(Date)

Executive Director, SPQA

Dear SPQA Executive Director,

[Organization Name] is pleased to submit its Discovery Self-Assessment for the Examination Team's review and feedback.

[optional text for the organization – remove]

Sincerely,

Organizational Profile

The **Organizational Profile** is a snapshot of your organization, the key influences on how you operate, and the key challenges you face. *Insert your response and related graphics if applicable at the end of each question or question set.*

1. Organizational Environment

a. *What are your main product offerings? What is the relative importance of each to your success? What mechanisms do you use to deliver your products?*

   Response:

b. *What are your stated purpose, vision, values, and mission? What are your organization's core competencies and their relationship to your mission?*

   Response:

c. *What is your workforce profile? What recent changes have you experienced in workforce composition or your workforce needs? What are your workforce or employee groups and segments? What are the educational requirements for different employee groups and segments? What are the key drivers that engage them in achieving your mission and vision? What are your organized bargaining units (union representation)? What are your organization's special health and safety requirements?*

   Response:

d. *What are your major facilities, technologies, and equipment?*

   Response:

e. *What is the regulatory environment under which you operate? What are the key applicable occupational health and safety regulations, accreditation, certification, or registration requirements; industry standards, and environmental, financial, and product regulations?*

   Response:

2. Organizational Relationships

a. *What are your organizational structure and governance system? What are the reporting relationships among your governance board, senior leaders, and parent organization, as appropriate?*

   Response:

b. *What are your key market segments, customer groups, and stakeholder groups, as appropriate? What are their key requirements and expectations of your products, customer support services, and operations? What are the differences in these requirements and expectations among market segments, customer groups, and stakeholder groups?*

   Response:

c. *What are your key types of suppliers, partners, and collaborators? What role do they play in your work systems, especially in producing and delivering your key products and customer support services? What role do they play in enhancing your competitiveness? What are your key mechanisms for two-way communication with suppliers, partners, and collaborators? What role, if any, do these organizations play in contributing and implementing innovations in your organization? What are your key supply chain requirements?*

   Response:

3.   Competitive Environment

a. *What is your competitive position? What are your relative size and growth in your industry or the markets you serve? How many and what types of competitors do you have?*

   Response:

b. *What key changes, if any, are affecting your competitive situation, including changes that create opportunities for innovation and collaboration, as appropriate?*

   Response:

c. *What key sources of comparative and competitive data are available from within your industry? What key sources of comparative data are available from outside your industry? What limitations, if any, affect your ability to obtain or use these data*?

   Response:

4.   Strategic Context

   What are your key strategic challenges and advantages in the area of business, operational, societal responsibilities, and workforce?

   Response:

5.   Performance Improvement

   What are the key elements of your performance improvement system, including your processes for evaluation and improvement of key organizational projects and processes?

   Response:

1. Leadership

The Leadership Category asks how senior leaders' personal actions guide and sustain your organization. It also asks about your organization's governance system; how your organization fulfills its legal, ethical, and societal responsibilities.

a. **Describe how senior leaders lead and how their personal actions guide and sustain your organization.** Answering the following questions may enhance your discussion.
   - How do they set vision and values?
   - How do their actions demonstrate their commitment to legal and ethical behavior?
   - How do their actions build an organization that is successful now and in the future?
   - How do they communicate with and engage the entire workforces and key customers?
   - How do they create a focus on action that will achieve the organization's mission?

Response:

b. **Describe how you govern your organization and how your organization fulfills its legal and ethical and societal responsibilities.** Answering the following questions may enhance your discussion.
   - How does your organization ensure responsible governance?
   - How do you evaluate the performance of your senior leaders, including the chief executive and your governance board?
   - How do you anticipate and address public concerns with your products and operations?
   - How do you promote and ensure ethical behavior in all interactions?
   - How do you consider societal well-being and benefit as part of your strategy and daily operations?
   - How do you actively support and strengthen your key communities?

Response:

1. Leadership Feedback (Examiners Only)

a. **Describe how senior leaders lead and how their personal actions guide and sustain your organization.**

   An overall Impression is offered based on the description of your Approach in the context of the set of Discussion Area 1a detailed questions and the Participant's identified activities that address this Discussion Area and the Deployment of these identified activities. Specific observations indicate key strengths and opportunities for improvement. Key Examiner Observations are as follows:

   What We Perceived Overall Regarding Maturity in this Discussion Area:
   ▪

   What We Saw as Evidence of Maturity in this Discussion Area:
   ▪

   What We Didn't See as Evidence of Maturity in this Discussion Area:
   ▪

   What Opportunities Might be Considered to improve Maturity in this Discussion Area:
   ▪

b. **Describe how you govern your organization and how your organization fulfills its legal and ethical and societal responsibilities.**

   An overall Impression is offered based on the description of your Approach in the context of the set of Discussion Area 1b detailed questions and the Participant's identified activities that address this Discussion Area and the Deployment of these identified activities. Specific observations indicate key strengths and opportunities for improvement. Key Examiner Observations are as follows:

   What We Perceived Overall Regarding Maturity in this Discussion Area:
   ▪

   What We Saw as Evidence of Maturity in this Discussion Area:
   ▪

   What We Didn't See as Evidence of Maturity in this Discussion Area:
   ▪

   What Opportunities Might be Considered to improve Maturity in this Discussion Area:
   ▪

2. Strategic Planning

The Strategy Category asks how your organization develops strategic objectives and action plans, implements them, changes them if circumstances require, and measures progress.

a. **Describe how your organization develops its strategy and strategic objectives.** Answering the following questions may enhance your discussion.
- How do you conduct your strategic planning?
- How does you strategy development process stimulate and incorporate innovation?
- How do you collect and analyze relevant data and develop information for you strategic planning process?
- What are your key work systems?
- What are your key strategic objectives and timetable for achieving them?
- How do your strategic objectives achieve appropriate balance among varying and potentially competing organizational needs?

   Response:

b. **Describe how your organization implements strategy, i.e. develops action plans, implements them, changes them if circumstances require, and measures progress.** Answering the following questions may enhance your discussion.
- What are your key short- and longer-term action plans?
- How do you deploy your action plans?
- What are your key workforce plans to support your short- and longer-term strategic objectives and action plans?
- What key performance measures or indicators do you use to track the achievement and effectiveness of action plans?
- For these key performance measures or indicators, what are your performance projections for your planning horizons?

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   Response:

2. Strategic Planning (Examiners Only)

a. Describe how your organization develops its strategy and strategic objectives.

An overall Impression is offered based on the description of your Approach in the context of the set of Discussion Area 2a detailed questions and the Participant's identified activities that address this Discussion Area and the Deployment of these identified activities. Specific observations indicate key strengths and opportunities for improvement. Key Examiner Observations are as follows:

What We Perceived Overall Regarding Maturity in this Discussion Area:
▪

What We Saw as Evidence of Maturity in this Discussion Area:
▪

What We Didn't See as Evidence of Maturity in this Discussion Area:
▪

What Opportunities Might be Considered to improve Maturity in this Discussion Area:
▪

b. Describe how your organization implements strategy, i.e. develops action plans, implements them, changes them if circumstances require, and measures progress.

An overall Impression is offered based on the description of your Approach in the context of the set of Discussion Area 2b detailed questions and the Participant's identified activities that address this Discussion Area and the Deployment of these identified activities. Specific observations indicate key strengths and opportunities for improvement. Key Examiner Observations are as follows:

What We Perceived Overall Regarding Maturity in this Discussion Area:
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What We Saw as Evidence of Maturity in this Discussion Area:
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What We Didn't See as Evidence of Maturity in this Discussion Area:
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What Opportunities Might be Considered to improve Maturity in this Discussion Area:
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3. Customer Focus

The Customer Focus Category asks how your organization engages its customers for long-term marketplace success, including how your organization listens to the voice of the customer, builds customer relationships, and uses customer information to improve and identify opportunities for innovation. ***Note for Education and Health Care Participants:*** *The Criteria for Education focuses on Students and Stakeholders in lieu of "Customers", and your responses to this Category should address the questions in this way. The Criteria for Health Care focuses on patients, and other customers, and your responses to this Category should address the questions in that way.*

a. **Describe how you listen to the Voice of the Customer (VOC) and obtain information from your customers.** Answering the following questions may enhance your discussion.
   b. How do you listen to, interact with, and observe customers to obtain actionable information?
   c. How do you listen to potential customers to obtain actionable information?
   d. How do you determine customer satisfaction, dissatisfaction, and engagement?
   e. How do you obtain information on customers' satisfaction with you organization relative to other organizations?

   Response:

b. **Describe how you engage customers by serving their needs and building relationships.** Answering the following   questions may enhance your discussion.
   - How do you determine product or service offerings?
   - How do you enable customers to seek information and support?
   - How do you determine your customer group and market segments?
   - How do you build and manage customer relationships?
   - How do you manage customer complaints?

   Response:

3. Customer Focus (Examiners Only)

a. **Describe how you listen to the Voice-of-the-Customer (VOC) and how you obtain information from your customers.**

An overall Impression is offered based on the description of your Approach in the context of the set of <u>*Discussion Area 3a detailed questions and the Participant's identified activities*</u> *that address this Discussion Area and the Deployment of these identified activities. Specific observations indicate key strengths and opportunities for improvement. Key Examiner Observations are as follows:*

What We Perceived Overall Regarding Maturity in this Discussion Area:
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What We Saw as Evidence of Maturity in this Discussion Area:
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What We Didn't See as Evidence of Maturity in this Discussion Area:
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What Opportunities Might be Considered to improve Maturity in this Discussion Area:
▪

b. **Describe how you engage customers by serving their needs and building relationships.**

An overall Impression is offered based on the description of your Approach in the context of the set of <u>*Discussion Area 3b detailed questions and the Participant's identified activities*</u> *that address this Discussion Area and the Deployment of these identified activities. Specific observations indicate key strengths and opportunities for improvement. Key Examiner Observations are as follows:*

What We Perceived Overall Regarding Maturity in this Discussion Area:
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What We Saw as Evidence of Maturity in this Discussion Area:
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What We Didn't See as Evidence of Maturity in this Discussion Area:
▪

What Opportunities Might be Considered to improve Maturity in this Discussion Area:
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4. Measurement, Analysis, and Knowledge Management

The Measurement, Analysis, and Knowledge Management Category asks how your organization selects, gathers, analyzes, manages, and improves its data, information, and knowledge assets; how it learns; and how it manages information technology. The Category also asks how your organization uses review findings to improve its performance.

a. **Describe how you measure, analyze, review, and then improve organizational performance.** Answering the following questions may enhance your discussion.
- How do you use data and information to track daily operations and overall organizational performance?
- How do you select and effectively use comparative data and information?
- How do you use Voice-of-the-Customer (VOC) and market data and information?
- How do you ensure that your performance management system can respond to rapid or unexpected organizational or external change?
- How do you review your organization's performance and capabilities?
- How do you share best practices in your organization?
- How do you project your organization/s future performance?

   Response:

b. **Describe how your organization manages its knowledge assets, information, and information technology infrastructure.** Answering the following questions may enhance your discussion.
- How do you manage organizational knowledge?
- How do you use knowledge and resources to embed learning in the way your organization operates?
- How do you verify and ensure the quality of the organizational data and information?
- How do you ensure the security of sensitive or privileged data and information?
- How do you ensure the availability of organizational data and information?
- How do you ensure that hardware and software are reliable, secure, and user-friendly?
- In the event of an emergency, how do you ensure the hardware and software systems and data and information continue to be secure and available to effectively serve customers and business needs?

   Response:

4. Measurement, Analysis, and Knowledge Management
(Examiners Only)

a. **Describe how you measure, analyze, review, and improve organizational performance.**

An overall Impression is offered based on the description of your Approach in the context of the set of Discussion Area 4a detailed questions and the Participant's identified activities that address this Discussion Area and the Deployment of these identified activities. Specific observations indicate key strengths and opportunities for improvement. Key Examiner Observations are as follows:

What We Perceived Overall Regarding Maturity in this Discussion Area:
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What We Saw as Evidence of Maturity in this Discussion Area:
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What We Didn't See as Evidence of Maturity in this Discussion Area:
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What Opportunities Might be Considered to improve Maturity in this Discussion Area:
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b. **Describe how your organization manages your organizational knowledge assets, information, and information technology infrastructure.**

An overall Impression is offered based on the description of your Approach in the context of the set of Discussion Area 4b detailed questions and the Participant's identified activities that address this Discussion Area and the Deployment of these identified activities. Specific observations indicate key strengths and opportunities for improvement. Key Examiner Observations are as follows:

What We Perceived Overall Regarding Maturity in this Discussion Area:
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What We Saw as Evidence of Maturity in this Discussion Area:
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What We Didn't See as Evidence of Maturity in this Discussion Area:
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What Opportunities Might be Considered to improve Maturity in this Discussion Area:
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5. Workforce Focus

The Workforce Focus Category asks how your organization assesses workforce capability and capacity needs and builds a workforce environment conducive to high performance. The Category also asks how your organization engages, manages, and develops your workforce to utilize its full potential in alignment with your organization's overall mission, strategy, and action plans.

a. **Describe how your organization builds an effective and supportive workforce environment to accomplish your organization's work.** Answering the following questions may enhance your discussion.
- How do you assess your workforce capability and capacity needs?
- How do you recruit, hire, place, and retain new workforce members?
- How do you organize and manage your workforce?
- How do you prepare your workforce for changing capability and capacity needs?
- How do you ensure workplace health, security, and accessibility for the workforce?
- How do you support your workforce via services, benefits and policies?

Response:

b. **Describe how your organization engages, manages and develops its workforce to achieve a high performance work environment and utilize the workforce's full potential in alignment with overall business needs.** Answering the following questions may enhance your discussion.
- How do you foster an organizational culture that is characterized by open communication, high performance, and an engaged workforce?
- How do you determine the key drivers of workforce engagement?
- How do you assess workforce engagement?
- How does your workforce management system support high performance and workforce engagement?
- How does your learning and development system support the organization's needs and the personal development of your workforce members, managers, and leaders?
- How do you evaluate the effectiveness and efficiency of your learning and development system?
- How do you manage career progression in your organization?

Response:

5. Workforce Focus (Examiners Only)

a. **Describe how your organization builds an effective and supportive workforce environment to accomplish your organization's work.**

An overall Impression is offered based on the description of your Approach in the context of the set of Discussion Area 5a detailed questions and the Participant's identified activities that address this Discussion Area and the Deployment of these identified activities. Specific observations indicate key strengths and opportunities for improvement. Key Examiner Observations are as follows:

What We Perceived Overall Regarding Maturity in this Discussion Area:
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What We Saw as Evidence of Maturity in this Discussion Area:
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What We Didn't See as Evidence of Maturity in this Discussion Area:
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What Opportunities Might be Considered to improve Maturity in this Discussion Area:
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b. **Describe how your organization engages, manages and develops its workforce to achieve a high performance work environment and utilize the workforce's full potential in alignment with overall business needs.**

An overall Impression is offered based on the description of your Approach in the context of the set of Discussion Area 5b detailed questions and the Participant's identified activities that address this Discussion Area and the Deployment of these identified activities. Specific observations indicate key strengths and opportunities for improvement. Key Examiner Observations are as follows:

What We Perceived Overall Regarding Maturity in this Discussion Area:
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What We Saw as Evidence of Maturity in this Discussion Area:
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What We Didn't See as Evidence of Maturity in this Discussion Area:
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What Opportunities Might be Considered to improve Maturity in this Discussion Area:
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6. Operations Focus

The Operations Focus Category asks how your organization designs, manages, and improves its products and work processes and improves operational effectiveness to deliver customer value and achieve organizational success and sustainability.

a. **Describe how your organization designs, manages, and improves its key products and work processes.** Answering the following questions may enhance your discussion.
   - How do you determine key product and work process requirements?
   - How do you design your products and work processes to meet requirements?
   - How does your day-to-day operation of work processes ensure that they meet key process requirements?
   - How do you determine your key support processes?
   - How do you improve your work processes to improve products and performance, enhance your core competencies, and reduce variability?
   - How do you manage innovation?

   Response:

b. **Describe how your organization ensures effective management of its operations.** Answering the following questions may enhance your discussion.
   - How do you control the overall costs of your operations?
   - How do you manage your supply chain?
   - How do you provide a safe operating environment?
   - How do you ensure that your organization is prepared for disasters or emergencies?

   Response:

6. Operations Focus (Examiners Only)

a. **Describe how your organization designs, manages, and improves its key products and work processes.**

An overall Impression is offered based on the description of your Approach in the context of the set of Discussion Area 6a detailed questions and the Participant's identified activities that address this Discussion Area and the Deployment of these identified activities. Specific observations indicate key strengths and opportunities for improvement. Key Examiner Observations are as follows:

What We Perceived Overall Regarding Maturity in this Discussion Area:
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What We Saw as Evidence of Maturity in this Discussion Area:
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What We Didn't See as Evidence of Maturity in this Discussion Area:
▪

What Opportunities Might be Considered to improve Maturity in this Discussion Area:
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b. **Describe how your organization ensures effective management of its operations.**

An overall Impression is offered based on the description of your Approach in the context of the set of Discussion Area 6b detailed questions and the Participant's identified activities that address this Discussion Area and the Deployment of these identified activities. Specific observations indicate key strengths and opportunities for improvement. Key Examiner Observations are as follows:

What We Perceived Overall Regarding Maturity in this Discussion Area:
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What We Saw as Evidence of Maturity in this Discussion Area:
▪

What We Didn't See as Evidence of Maturity in this Discussion Area:
▪

What Opportunities Might be Considered to improve Maturity in this Discussion Area:
▪

7. Results

The Results Category asks about your organization's performance and improvement in all key areas – product and process results, customer-focused results, workforce-focused results, leadership and governance results, and financial and market results. The Category asks about performance levels relative to those of competitors and other organizations with similar product offerings.

a. Provide your key *product performance and process effectiveness and efficiency* results. Include results for your products and customer service processes. Include results for your process effectiveness and efficiency. Include your emergency preparedness results. Include your supply chain management results. Include appropriate comparative data. Segment your results by product offerings, customer groups, and market segments, and by process types and locations, as appropriate.

   Response:

b. Provide your *customer-focused performance* results. Include results for customer satisfaction, dissatisfaction, and engagement. Include appropriate comparative data. Segment your results by product offerings, customer groups, and market segments, as appropriate.

   Response:

c. Provide your *workforce-focused* results. Include your workforce capability and capacity results. Include workforce climate results (e.g. health, safety, security and services and benefits). Include your workforce engagement results.   Include your workforce and leader development results. Include appropriate comparative data. Segment your results to address the diversity of your workforce and to address your workforce groups and segments, as appropriate.

   Response:

d. Provide your *senior leadership and governance* results. Include results for senior leader communication and engagement with the workforce and customers. Include results for governance accountability, including those for fiscal accountability. Include legal and regulatory results, and results for ethical behavior, societal responsibility and support of key communities. Include results for the achievement of your organizational strategy and action plans. Include appropriate comparative data. Segment your results by organizational units, as appropriate.

   Response:

e. Provide your *financial and marketplace performance* results my market segments or customer groups, as appropriate. Include appropriate comparative data.

   Response:

7. Results (Examiners Only)

Overall, based on what we read and what Results were provided, and given what we are looking for relative to Process Results, our review led us to the following conclusion:

- ☐ Few if any results were provided in the six Discussion Areas/Categories.
- ☐ A few organizational performance results are reported in a few of the Discussion Areas/Categories.
- ☐ Organizational performance results are reported in most Discussion Areas/Categories
- ☐ Sustained improvement in organizational performance results are reported in all areas/Categories.
- ☐ Other:

What We Perceived Overall Regarding Maturity in this Discussion Area: (Optional)
  ▪

What We Saw as Evidence of Maturity in this Results Area:
  ▪

What We Didn't See as Evidence of Maturity in this Results Area:
  ▪

What Opportunities Might be Considered to improve Maturity in this Results Area:
  ▪

Team Observation Summary

For each Discussion Area, the Examination Team has provided comments. The observations are submitted based on the information provided. As such, the observations could be wrong because the description is inadequate. More than "what" the examiner team is looking for "how." The ability to articulate a complete story, even with opportunities for improvement demonstrates a level of maturity in understanding the connectivity of mature processes and results.

The Examination Team offers the following Summary Observations:

-