
Minnesota Council for Quality Stakeholder Update
October 2004

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1. A Message from the President: What's Most Important to Organizational Success?

I frequently am asked to give talks on how the Baldrige Criteria can help any organization improve its performance, results, and/or competitiveness. Usually, I begin my comments by conducting a short exercise that emphasizes how difficult it is to identify which parts of an organizational system to improve. The exercise goes something like this...

I pass around sticky notes and ask everyone in the audience to take 2-4 notes. I then ask them to answer the following question: "what does it take for my organization to be successful?" They are to put one answer per note, so they'll have 2-4 answers per person. They then build an "affinity diagram" at their table or with nearby individuals. (An Affinity Diagram is a quality tool that helps cluster data into common themes.) We then debrief, having one group at a time share a couple of necessary ingredients for organizational success.

The responses are usually remarkably consistent across audiences, regardless of their composition. I'm sure you could predict the typical responses: competent and satisfied employees; a strong customer focus that produces satisfied and loyal customers (or stakeholders); committed, effective leadership; an effective planning process; products and services that satisfy customer or market needs; strong financials and cash flow that

allow for stability and future investment; integrity and ethics; and so forth. You get the picture.

I then say something like the following: “Does anyone disagree with any of those ingredients for success?” (I haven’t once had someone argue.)

But then I ask, “If all of these factors are important to ensure organizational success, what is the MOST important?” Generally, after a necessary moment of silent reflection, some brave soul will offer a hypothesis: “Customers are the most important, because they pay our paycheck. Without satisfied, loyal customers, we would go out of business.”

I respond, “That is a solid theory. Customers are very important to any organization’s success. You have to provide value to the marketplace to succeed in the long-term. Does anyone have a counterargument: is there anything else that might be more important to an organization’s success?”

After a longer pause for reflection, someone always takes the bait: “Sure. Employees are more important. If you don’t have highly skilled, adequately trained, extremely motivated staff, you simply cannot deliver high quality products and services to your customers. It all starts with the employee.”

Then another courageous individual chimes in: “True. But it all starts with leadership. If you don’t have committed, effective leaders, then you won’t be able to offer an environment that encourages and empowers employees to accomplish organizational goals.”

I usually stop the debate at this point, or the discussion might no doubt continue indefinitely. The point of the exercise is somewhat rhetorical: organizations consist of dozens -- perhaps hundreds -- of processes. But because organizations are so complex, it is frequently difficult to identify what is truly most important to ensure success. Wouldn’t it be nice to have a framework that cuts through the “organizational clutter” -- that brings the organization under the microscope, helping leaders identify what is working well and what processes might be in need of improvement? Wouldn’t it be nice to have a tool that managers can use to identify the top three to five things upon which they can (and should) focus their energy, their resources, and their improvement efforts?

There is such a framework. While it’s not a “silver bullet,” the Criteria for Performance Excellence of the Malcolm Baldrige National Quality Award are successfully being used by thousands of organizations across the state and country to identify and prioritize their improvement opportunities, assess organizational alignment, and systematically advance an organization’s improvement initiatives. If you are interested in learning more about the Criteria and how it can help your organization improve, visit www.councilforquality.org or www.baldrige.org.

For those of you who are looking for the punch line, there is indeed a correct answer to the question “what is most important for an organization’s success.” You’ll hate this, but

I'll share the answer in next month's newsletter. For now, I invite you to ponder the question in the context of your organization. Perhaps your conclusions (and the reflective dialogue that gets you there) will be more useful than the "correct answer" I will reveal next month.

Yours in Improvement,

Brian S. Lassiter
President, Minnesota Council for Quality
www.councilforquality.org

2. Seeking Improvement Consultants: An Invitation to Join a Unique New Service

The Minnesota Council for Quality is pleased to announce the pre-launch of our Consultant Referral Network. Located at www.consultantreferralnetwork.org, the Consultant Referral Network is a unique tool that connects consultants to the organizations (clients) that seek them. The Council is inviting consultants, trainers, facilitators, and coaches that specialize in some aspect of organizational improvement to join this unique service.

What makes this service unique? Two things. First, it focuses on organizational improvement. There are other tools that help locate doctors, dentists, and plumbers. But there are very few resources available to locate organizational improvement consultants. Second, the tool allows the hiring organization (the "client") to search for consultants based on their specific needs. So rather than sorting through dozens or hundreds of possible consultants in a directory-format, this tool will allow the client to narrow their search for the consultant(s) that meets their specific requirements -- requirements such as sector/industry expertise, consultant location, firm size, and years of experience.

Why would a consultant consider listing on this service? The Consultant Referral Network can uniquely supplement a consultant's existing marketing strategies. The service may increase a firm's exposure and brand awareness, as well as generate client leads and serious prospects. This service can benefit consultants because: 1) it offers a potential channel of leads and a legitimate mechanism to create market awareness for the consultant's services and capabilities; 2) it is neutral, independent, and unbiased (each search produces a list of up to 5 vendors depending on how many match the client's requirements); and 3) it is reasonably priced. Fees are flexible so the consultant can choose what best matches their needs -- a higher up-front listing fee with no subsequent referral fees for projects secured through the service, or a lower up-front listing fee with moderate referral fees.

We invite you to consider listing on this service. For more information or to register, please visit www.consultantreferralnetwork.org or email us at info@consultantreferralnetwork.org.

(The Consultant Referral Network is a service offered in collaboration with the Michigan Quality Award, the Ohio Award for Excellence, and the Wisconsin Forward Award, and was made available with the initial support of 15 sponsors.)

3. Recognizing the Fall Class of 2004 Board of Evaluators; 2005 Training Dates Set

The fall training session of the 2004 Board of Evaluators was completed last month, and the following 37 individuals successfully completed the training and joined the 2004 Board of Evaluators:

Ted Amundson; Greg Bourland, Children's Hospitals and Clinics; Mary Ann Bucher, Unisys; Betty Bundul, Allina Hospitals & Clinics; Susan Carlson, Allina Hospitals & Clinics; Cathy Cato, Allina Hospitals & Clinics; Neil Cummings, Unisys; Barbara Demaster, St. Louis Park Schools; Dewayne Dill, Dairy Strategies LLC; Myron Dummer, Winland Electronics; Cheryl Evans; David Ewert, GMAC/RFC; Carol Harris, Xcel Energy; Cheryl Hermann, Allina Hospitals & Clinics; Jim Holthaus, Nuclear Management Company; George Karayianes; Kim Keilholtz, Xcel Energy; Mark Kirschbaum, Allina Hospitals & Clinics; Susan Klein, Allina Hospitals & Clinics; Kim Korn, Business Architecture Inc.; Mary Lewis, Xcel Energy; Karen Maskell, Medtronic; Mick McComber, University of Minnesota Duluth; John Mestad, Nuclear Management Company; Reed Mick, MN Army National Guard; Bruce Richardson, St. Louis Park Schools & independent consultant; Michelle Schlosser, Xcel Energy; Peter Smith, Ceridian; Eileen Stanley, Allina Hospitals & Clinics; Jay Stroebel, State of Minnesota, Department of Administration; Jackie Vaale, Unisys; James Webber, Applied Quality Solutions; Eric Weldy, University of Minnesota Duluth; Jim Wilkins, Tappe Construction; Russell Williams, US Army Corps of Engineers, St. Paul District; Helene Woods Central Minnesota Jobs & Training Services; Linda Zeits, Xcel Energy.

These individuals join Evaluators and Judges trained in the spring and summer sessions. In total, the 2004 Board of Evaluators represents 100 professionals from all sectors in all parts of the state.

We would also like to offer a special thank you to Unisys in Roseville for hosting the training and to Dr. Mark Blazey for facilitating the session. In addition, we thank several volunteers for assisting: Rick Carlson, April Corniea, Paul Grizzell, Linda Mazzuco, Pat O'Boyle, Melissa Rabida, Mike Reagan, Ken Rich, and Michael Wirth-Davis.

As Evaluators complete our final 2004 Minnesota Quality Award assessments, we are already gearing up for the 2005 cycle. The Council has set training dates for the 2005 Board of Evaluators. Our spring session will be March 22-24 (in the Metro); our summer session will be June 28-30 (in Rochester); and our fall session will be September 20-22 (in the Metro). Details will be forthcoming. Save the dates!

4. Recognizing Third Quarter Council Members

The Council would like to recognize 54 organizations and individuals who joined or renewed their membership in the third quarter. Special recognition goes to Allina Hospitals & Clinics, Hutchinson Technology, and the Mayo Clinic-Rochester for joining as Sponsoring Members. Their contributions help support more affordable memberships for individuals and smaller organizations.

“Hutchinson Technology has been a long-time supporter of the Council’s mission,” says Brian Lassiter, president of the Council. “We thank them for their continued support and look forward to expanding our value-added services to central Minnesota. Allina and Mayo are two very important health care providers in the state; both are intensely interested in high quality clinical care as well as reaching ever-higher levels of performance excellence. All three organizations represent leaders in their industries, and we thank them for their support.”

In addition to Allina, Hutchinson Technology, and Mayo, these individuals and organizations became members last quarter (asterisks indicate renewal members):

Alexandria Extrusion Company, Alexandria*
Anagram International, Eden Prairie*
Cathy Berglund, St. Paul
Bethel Lutheran Church, Rochester*
Tim Bloudek, Eden Prairie*
Cargill Business Excellence, Minnetonka*
Celestica, Rochester*
Chaska District 112 Admin Team, Chaska*
Colder Products, St. Paul*
David Cowan, Mankato*
Direct Response Insurance Administrative Services, Inc. (DRIASI), Chanhassen*
Dover-Eyota Schools, Eyota
Cheryl Evans, Bloomington
Gary Floss, New Brighton*
Hayfield School District, Hayfield
HealthPartners Regions Quality/Care Management, St. Paul
Hennepin/Ramsey Courts Administration Departments, St. Paul*
Barb Himelfarb, Bloomington
Hormel Institute, Austin
ISD 283 School Board & District Office, St. Louis Park
George Karayianes, Eden Prairie*
Kingsland Public Schools, Wykoff
Logic Opera, Minneapolis*
Manpower, Rochester
MDA Leadership, Minneapolis
Memorial Blood Centers of Minnesota, Minneapolis*
Micro-Tech Hearing Instruments, Plymouth*
Minnesota Army National Guard Corporate Office, Cottage Grove*

Minnesota Association of Alternative Programs (MAAP), Andover*
Robert Mitchell, Maplewood
MN Governor's Council on Development Disabilities, St. Paul*
Padilla Speer Beardsley, Minneapolis*
PDI Business Solutions Group, St. Paul*
Quality Culture Institute, Rochester*
Quality Software Technologies, Rochester*
Quest Analytical, Inc., Eden Prairie*
Lori Ramberg, Minnetonka
Reward Reporting, Inc., Eden Prairie*
Rochester Area Math and Science Partnership (RAMSP), Rochester*
Rochester Public Schools #535, Rochester*
Rolfs & Associates, Kasson*
Hal Schroer, Golden Valley*
Schwarz Williams Companies, Inc., Minneapolis*
Stora Enso Duluth Paper Mill, Duluth
Strategic Innovation Partnerships, St. Paul*
Tetra Pak Chilled Inc. IQe Department, Buffalo Grove*
University of Minnesota ASSL, Duluth*
US Bank, Client Services Group, St. Paul
Winona Health, Winona*
Workforce Development, Inc., Rochester*
Brian Zmolek, Rochester

We thank all members for their support. As of September 30, the Council represents a growing community of nearly 180 members representing over 140,000 employees. A complete list of members is available at <http://www.councilforquality.org/member.cfm>.

Why should you or your organization consider membership? There are many reasons. Your or your organization receives: recognition (in this newsletter, in press releases, on the website, and with a certificate/letter); discounts to Council services (Evaluator training, organization assessments); access to Council services (Clearinghouse, Consultant Referral Network, and free admission to Performance Improvement Network discussions); and discounts to our partners' services (other improvement-related non-profits, universities/colleges, and professional/trade associations).

Individual memberships are \$100 and organization memberships begin at \$250. For more information on the benefits of becoming a member, please visit www.councilforquality.org/member.cfm or email the Council at info@councilforquality.org.

5. Nonprofits Soon Able to Apply for Baldrige Award; Already Eligible for Minnesota Quality Award

President George W. Bush signed into law October 5, 2004, legislation that will help non-profit organizations, including government entities, improve the quality of their products and services. Sponsored by Representatives Brad Miller (D-NC) and Melissa Hart (R-PA), H.R. 3389 amends the Stevenson-Wydler Technology Innovation Act of 1980 to permit Malcolm Baldrige National Quality Awards to be made to non-profit organizations.

The Minnesota Council for Quality's Minnesota Quality Award is one of approximately 50 state quality awards based on Baldrige. In Minnesota, non-profits have been eligible for award recognition for several years.

The Baldrige National Quality Award was established in 1987 by Congress, and is named for Malcolm Baldrige, who served as Secretary of Commerce from 1981-1987. The award that bears his name promotes quality awareness by recognizing U.S. organizations for their achievements in quality and performance. The establishment of the Baldrige Criteria has provided a means by which companies and other organizations can, on their own, evaluate and improve the quality of their products, services, and management. These criteria have been adopted worldwide as a standard against which to judge performance excellence.

“Organizations that have competed for the Baldrige awards have realized higher productivity, greater customer satisfaction, better employee relations and improved profitability by adopting the Baldrige competitor's recommended practices to achieve excellence,” Miller said. “This bill brings in organizations hugely important to our society that were left out of the benefits of that competition.” Miller continued, “I am especially pleased that government agencies will be able to compete for the awards. I want government agencies to be managed as well as the best-run businesses.”

“I am pleased that President Bush has signed into law this bill recognizing the importance of including non-profits in the prestigious Baldrige Award. This distinction will inspire U.S. organizations of a broader spectrum to higher quality standards. Now non-profits will be able to share benchmarks which have encouraged their for-profit colleagues to strive for excellence through the qualifications of this award,” added Hart.

“I applaud the President's action today,” said Science Committee Chairman Sherwood Boehlert (R-NY). “The extension of the Baldrige award to non-profits will enhance quality management in these types of organizations. I am certain that we will see some impressive award recipients in the non-profit category in the years to come, and they will do their part in spreading the word on the value and importance of quality management to their peers.

“The Baldrige National Quality Award program has succeeded beyond our wildest dreams. As one of the original authors of the law that created the program, I am proud of the tremendous impact it has had on our business sector and I am pleased that its scope has been broadened today. The Baldrige National Quality Program is so much more than an award. It is an entire philosophy that has helped - and continues to help - make our

companies and our nation more productive and competitive. The Baldrige program has been described by CEOs as ‘the most important catalyst for transforming American business,’ and the publication containing the Baldrige criteria has been hailed as ‘probably the single most influential document in the modern history of American business,’” Boehlert said.

For more information on the Malcolm Baldrige National Quality Award, please visit www.baldrige.org. For more information on the Minnesota Quality Award, please visit www.councilforquality.org.

6. Imation’s Continuous Improvement Journey -- PIN Discussion 11/4

Imation Corporation is a leading developer, manufacturer and supplier of magnetic and optical removable data storage media. Imation’s competitors are some of the world’s most formidable companies, including Fuji and Sony. When facing world-class competition in a high technology business like data storage, continuous improvement is an absolute requirement.

The Minnesota Council for Quality is pleased to welcome Ms. Colleen Willhite, Vice-President and General Manager of Imation’s Magnetic Business Unit, to the November 4 Performance Improvement Network (PIN) discussion. Colleen will review Imation’s Total Quality and Process Management Improvement approach, which integrates several contemporary quality frameworks such as Six Sigma, Lean, Balanced Scorecard, and Hoshin Planning. Colleen will also outline examples and lessons learned along their journey and will summarize Imation’s improvement plans for the future.

The discussion is from 8:00-9:00 a.m. on November 4 (networking and continental breakfast begin at 7:30 a.m.) at the University of St. Thomas in downtown Minneapolis, Murphy Hall Room 203. Admission is FREE for Council members; \$20 for the public. For more information or to register, visit www.councilforquality.org/perform or email brian.lassiter@councilforquality.org.

7. Strategic Information Security: Protecting Value -- MSLF 10/26 Discussion

The Minnesota Strategic Leadership Forum (MSLF), a partner of the Minnesota Council for Quality, is pleased to announce their October 26 discussion “Strategic Information Security: Protecting the Value in Your Value Chain.” The discussion will be lead by Art Drake, vice president at myC.R.O. Solutions.

Governance, compliance, and value are compatible concepts, even though research suggests that executives and senior managers often misunderstand the relationships between them. Information security has a significant role in enabling their integration. Quantitative techniques are well accepted when evaluating threats to physical assets and their value. Financial, credit, market, and investment risks are likely to have disciplined

processes in place for evaluating, analyzing and mitigating their risks. The information technology (IT) space, however, has no apparent, straight forward, quantitative approach to assessing threats to value. Yet, if data are treated as other assets, many of the same principles can apply.

Mr. Drake works with clients to develop and implement risk management programs and strategies that support security, business continuity, and compliance initiatives (such as HIPAA, Sarbanes - Oxley and GLBA). In his discussion, Mr. Drake will focus on the fundamentals of: measuring information risk; support of information security compliance and IT governance objectives; IT frameworks such as CoBIT and COSO's Enterprise Risk Management model; increasing value of information security assets by integrating a performance measurement component; and return-on-investment for information security.

The discussion will be held Tuesday, October 26. Registration, networking, and breakfast is at 7:00 AM; the program is from 7:45-9:00 AM. The meeting is at the Metropolitan Ballroom & Clubroom, 5418 Wayzata Blvd, Golden Valley. Cost is \$35 to the public or \$25 for members of MSLF or the Council (free for MSLF Premium members). For more information or to register, visit <http://www.slf-minnesota.org/calendar.htm>.

8. Lean Office and ISO 9001 at Kato Engineering -- RAQC Session 10/14

Pease join the Rochester Area Quality Council (RAQC), a partner of the Minnesota Council for Quality, for their next monthly meeting on November 2 on the topic of "Lean Office and ISO 9001 Working Together at Kato Engineering." Russell Scheller, Quality Manager, and Neal Benson, LEAN Manufacturing Manager, will lead the discussion.

Lean thinking concepts have become widespread in both the manufacturing and service sectors. Russell and Neal will share Kato's five principles of Lean thinking: 1) Specify value from the standpoint of the end customer; 2) Identify all steps in the value stream; 3) Make the value creating steps flow toward the customer; 4) Let customers pull value from the next upstream activity; and 5) Pursue perfection.

Learn how Kato Engineering has used lean thinking principles to help streamline their office operations along with their manufacturing processes. They will share the step in a Lean project including: planning the project, process "leaning," and implementing and sustaining the improvements. Kato Engineering has realized significant service improvements and cost savings with their Lean efforts in both the office and manufacturing settings. In addition, they will discuss how they are integrating Lean with their ISO 9001 activities and lessons they have learned. Whether your organization is in manufacturing, service, or non-profit, attend and see how all your organizational processes can realize the benefits of streamlined operations to deliver higher value to your customers.

This breakfast meeting will be held at the University Center Rochester, Coffman Building, Room CF206-208. Registration and networking begins at 7:30 a.m., introduction of the speakers at 7:50 a.m. and conclusion of the program at 9:00 a.m. Cost is \$10 for members of RAQC or the MN Council for Quality and \$20 for non-members. For more information or to register online, visit www.raqc.com or call 507-285-7560.

9. Strategic Sales Management Workshop -- 12/15-12/16

Are you tired of getting excuses not results? Of Crisis management? Of the job not getting done unless you do it yourself? Of your out-of-control daily schedule? Or surviving, not thriving?

Sales Growth Specialists, a member of the Minnesota Council for Quality, is sponsoring nationally recognized speaker, author, and trainer John Condry. John will join Sales Growth Specialists on December 15-16 for a Strategic Sales Management workshop, which includes two days filled with practical tools and processes to manage for success.

In this session, participants will learn how to: analyze and use your management style strengths to avoid success traps and break down communications walls; interview & hire winners; select, promote & terminate; motivate & delegate; use the language & process of personal evaluation interviews; plan & conduct effective meetings; and optimize the 5 levels of personal effort.

The session will be held at the Rolling Green Country Club, 400 Evergreen Road in Medina. The cost is \$1595; Council members are entitled to a \$500 discount. For more information or to register, please call Danita Bye at 612-267-3320.

10. Century College Announces Fall Courses; Council Members Receive \$50 Discount

Century College, White Bear Lake, is pleased to announce their fall quality curriculum. Council members are entitled to a \$50 discount for the following courses:

- * Certified Quality Auditor (CQA), 10/14/04 through 11/25/04
- * Certified Quality Improvement Associate (CQIA), 12/2/04 & 12/3/04
- * Certified Quality Manager (CQM), 1/11/05 through 3/1/05
- * Six Sigma - An Overview, 2/1/04
- * Appreciative Inquiry, 2/14/04

Century College offers a comprehensive program of Quality training, certificate and certification courses to meet the needs of business and industry. Courses may be customized and delivered to your organization's work site.

For more information on the above courses or any of Century's offerings, please contact Nancy Hoglund at 651-747-4048 or n.hoglund@century.edu.

11. St. Thomas Announces Fall Courses; Council Members Get 15% Discount

The Management Center at the University of St. Thomas recently announced its fall course offerings. As in the past, Council members will receive at 15% discount to all courses.

The courses remaining this fall include:

October 28 through November 19: Six Sigma Green Belt Certificate
November 3-4: The "Micro MBA" - Essentials for Managers Under Pressure

Mark your calendars! For more information, please contact The Management Center at 651-962-4600 or visit www.stthomas.edu/mgmtctr. You can also find more information on the Council's Clearinghouse at www.councilforquality.org/improve_events.cfm.

12. South Central Technical College Announces Fall Courses; Council Members Get 10% Discount

South Central Technical College, Faribault Campus, is pleased to announce their fall quality curriculum. Council members are entitled to a 10% discount for the following courses:

10/19: Understanding & Implementing ISO 9001:2000, \$235
10/20: Internal Auditor Skills, \$235
11/3-11/4: Introduction to Quality, \$370
11/15: Corrective & Preventive Action Systems, \$235
12/1-12/2: Introduction to Lean Manufacturing, \$390
12/8: Project Management, \$235
12/9-12/10: Introduction to Six Sigma, \$390.

The following additional certification review classes will be offered (the 10% discount still applies):

10/26-11/30: Certified Calibration Technician (CCT) Review, \$300
11/2-11/30: Certified Quality Improvement Associate (CQIA) Review, \$250
11/3-12/1: Certified Quality Auditor (CQA) Review, \$250

For more information, please contact Laura Hardy at 507-332-5802 or at laura.hardy@southcentral.edu. You can also find more information on the Council's Clearinghouse at www.councilforquality.org/improve_events.cfm.

13. Inver Hills Community College Announces Fall Events; Council Members Discounted 15%

Inver Hills Community College recently announced its upcoming management and advanced IT networking classes. Council members receive a 15% discount on all listed tuition.

The following courses will be offered:

October 14, October 21: Introduction to Six Sigma (Yellow Belt), \$700

October 18-22: Six Sigma Green Belt, \$1625

October 20-22: Six Sigma Discovery Process

For more information on any of these courses, call Bill Zwicky at 651-450-8679 or visit <http://www.inverhills.edu/>. You can also find more information on the Council's Clearinghouse at www.councilforquality.org/improve_events.cfm.

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