

Quality in action

By Susan E. Peterson; Staff Writer

Six years ago, Pillsbury Neighborhood Services became the first nonprofit organization to apply for a Minnesota Quality Award as it looked for ways to improve the way it operated.

The feedback it got from the award judges showed that the organization, which operates six neighborhood centers with 180 employees and a \$9 million annual budget, had a lot of room for improvement, said President Tony Wagner.

"It was very difficult at first," he said. "And our results weren't very good by [the award] standards." But the organization used the feedback report as a blueprint for change. In the process, it has provided better service to clients and more growth opportunities for workers, Wagner said. It also has proved to funders that its programs are worthy of support and demonstrated that sound business principles can have positive results in many fields.

The latest result is that Pillsbury Neighborhood Services Thursday was named by the Minnesota Council for Quality as one of three Minnesota Quality Gold Award winners this year. The other winners are Honeywell's Minneapolis-based motion and sensor products operation and the University of Minnesota-Duluth's academic support and student life unit.

A Bronze Award went to Rochester Community and Technical College for its commitment to establish a systematic quality program.

The council started its award program 10 years ago, modeling it after the Malcolm Baldrige National Quality Award. The state and national awards both evaluate applicants on such factors as leadership, innovation and employee development.

Minnesota was the first state to establish a program based on the Baldrige principles, and it has been a model for many of the 43 states that now have similar awards, said Pat Billings, president of the Minnesota Council for Quality.

"Ours is probably the most rigorous, in the way we focus on actual improvement for the organization," she said. She noted that several of the state award winners have gone on to win the Baldrige Award and that Minnesota is tied with Texas and California for the most Baldrige winners, with six each.

Program has evolved

In keeping with the quality movement's mantra of continuous improvement, the Minnesota awards have evolved and expanded, moving beyond the original focus on manufacturing and service companies to the government and education sectors in 1994 and to health care and nonprofit organizations in 1995. In 1996 the award program added

multiple levels of recognition, to provide more encouragement to organizations that were in the early stages of forming quality programs.

Pillsbury Neighborhood Services is an ideal example of the benefits the award program can bring, said Billings and Wagner. For instance, Wagner said, one problem area identified by the award judges in 1996 was that there was no systematic effort to get feedback from clients. So the centers began holding regular quarterly focus groups with clients, asking what changes were needed, and created feedback cards that all clients are encouraged to fill out.

"For one thing, people said they wanted us to be more available evenings and weekends," Wagner said. "So now every center is open at least until 8 p.m. and at least a half-day on the weekends."

The biggest change, though, was to stop seeing the organization as a collection of more than 40 separate programs such as child care or job services, each with its own funding source and board, and start looking at it as a whole system, Wagner said.

"We did a strategic plan - how do we organize these services we provide," he said. "All the centers are different, to respond to the different neighborhoods. . . . We came up with the concept of core services - youth development, self-sufficiency, emergency aid and volunteerism - and we expect every center to have programs in those four areas."

The organization evaluates all programs on a consistent, scheduled basis to ensure that they are meeting objectives, and has beefed up its staff training and orientation programs to make sure that everyone understands the programs' mission. Wagner said funders - foundations and other grant-making organizations - have responded enthusiastically to the focus on measuring outcomes and other quality principles.

Billings said Pillsbury Neighborhood Services "is a tremendous learning organization - they've made such great strides since they started this process. They're a role model for other nonprofits, and there would be a lot less wasted money" if more groups learned from their example.

She said award judges cited Pillsbury's "Key Influencer" campaign as a "best practice" - something that other organizations could emulate. The campaign seeks to build relationships with community leaders in many fields - government, business, education, funders and private citizens - to garner support and do a better job of tailoring programs to meet specific needs.

First-attempt gold

Honeywell International is no stranger to Minnesota Quality Awards - Honeywell units won in 1993 and 1997. This year, Honeywell's motion and sensor products operation, based in Minneapolis, was a Gold Award winner on its first try.

The operation makes critical high-tech aviation and aerospace products such as ring laser gyroscopes for commercial and military aircraft. Quality manager Lawrence Palmehn said the business decided to apply for the state award after going through a Honeywell internal assessment process based on Baldrige Award criteria for several years.

Honeywell established a company-wide quality program in the early 1990s, and the assessment process was a key part of that. "It gives you good cross-pollination of 'best practices' throughout the company," Palmehn said. One example of a best practice is the operation's training program, which identifies training needs and then measures effectiveness of the training, he said.

Witness Honeywell's early adoption of the rigorous "Six Sigma" statistics-driven quality program, which it began about a year before its 1999 merger with AlliedSignal. The operation now has 25 highly trained "black belt" Six Sigma experts, one master black belt and 130 people trained as lower-level "green belts," he said.

Joel Houlton, vice president of motion and sensor products, said there have been measurable payoffs from the quality efforts. "Factory throughput [product volume] has increased by a factor of five over the last four years, and profitability has increased more than 50 percent" in that time, he said. The operation also has had double-digit growth in annual productivity, which increased more than 10 percent in 2000.

Palmehn said he sees Honeywell's pending acquisition by General Electric, whose CEO, Jack Welch, is an avid Six Sigma proponent, as a "benchmarking opportunity." "We will learn things from GE, and GE will learn things from us," he said. "There are some semantics differences, but we mesh very easily. We're excited about it." Billings said award judges identified the Honeywell operation's "focus supplier" program as a best practice. Honeywell helps train suppliers to improve quality, cut costs and generally boost their performance, and both companies benefit from the results. One improvement suggested by a supplier in the program saved Honeywell more than \$100,000, she said.

"Through the years they have built and sustained a focus on excellence," she said.

Academic applications

Bruce Gildseth, vice chancellor of academic support and student life at the University of Minnesota-Duluth, said it's not always easy translating quality principles into the academic realm.

"There are a lot of perceptual differences - some [education] people get hung up on the word 'customer,'" he said. But his division - responsible for such areas as admissions, financial aid, health services, recreational sports and tutoring - has reaped many benefits from becoming immersed in the process. It has taken on the extensive process of applying for a Minnesota Quality Award for each of the past three years.

Gildseth said UMD teamed with IBM's Rochester computer plant, an early Baldrige winner, to learn how to adapt quality principles to systematically improve the way the division did things. It also has learned from Maplewood-based 3M Company's Dental Division and Sunny Fresh Foods of Monticello, two of Minnesota's Baldrige winners, he said.

One example of a key improvement is an innovative tutoring program cited as a best practice by the award judges. Rather than the traditional system of using student volunteers as one-on-one tutors, the student-tutors have to meet high standards and then take a for-credit course in which they practice as they learn.

The tutors work at tables with small groups of students in the tutoring center, with support from a university staff member. "It's great experience for future teachers or people interested in service learning," Gildseth said. "It's good to have it on their resume."

Gildseth noted that UMD's enrollment has risen 32 percent since 1994 to 2,130 students this fall. "And that's in a part of the state that hasn't been growing," he said. Billings said the division has been a role model for other educational institutions by going to businesses to look for best practices, not just studying other schools. "They're learning from the best in the world, and then translating that back to fit their needs," she said.

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WHAT DOES THE AWARD MEAN?

The Minnesota Quality Awards are modeled on the Malcolm Baldrige National Quality Award. Both programs recognize organizations that are committed to improving their operations and service. Applicants are evaluated on such things as leadership, being customer-driven, innovation, employee development and having a focus on results. Minnesota was the first state to establish a Baldrige-like program; 43 states now have similar programs. Six Minnesota companies have won Baldrige awards, putting Minnesota in a tie with California and Texas for the most winners.