

Independent Review 6-Step Evaluation Process

Step 3: Analyze the Application Item



The illustration shows several stylized human figures in blue and red. They are interacting with large, colorful puzzle pieces (yellow, red, green) that are being assembled. One figure is holding a green piece up, while others are positioned around other pieces.



THE ALLIANCE FOR
PERFORMANCE EXCELLENCE
Learn. Share. Connect.

1

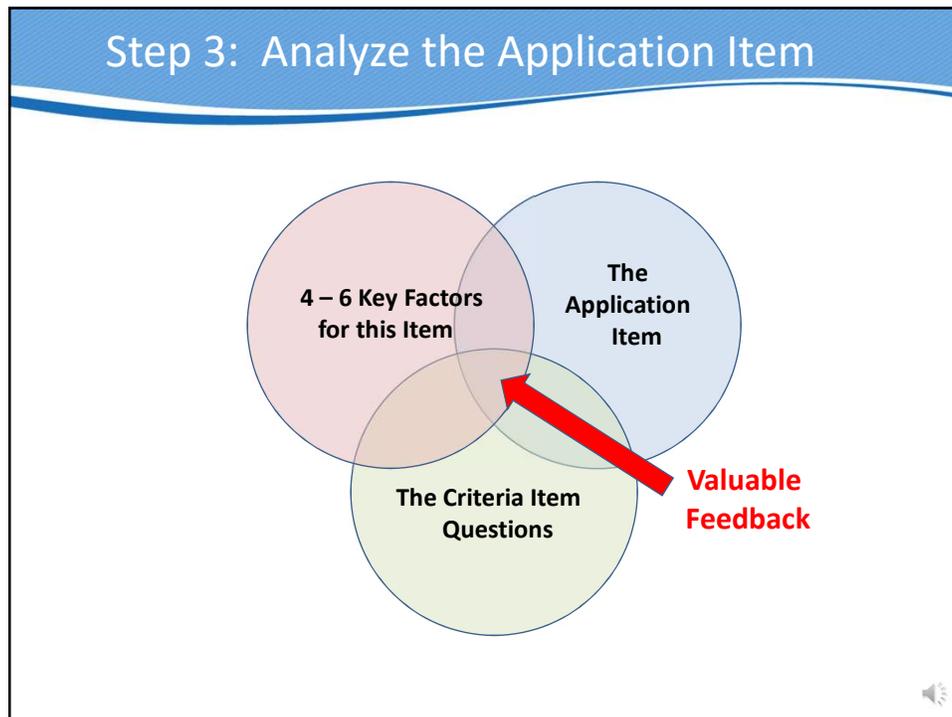
Step 3: Analyze the Application Item



The icons are hand-drawn and include: a 'C' in a square, a '4-6 KF' in a circle, a 'A' in a square with a pencil, a '6' with an upward arrow and 'C~SG' below, a '2' with an upward arrow and 'FB' below, and 'Range' and 'Score' with a downward arrow.

Categories 1-6
Demonstrate
Processes
"HOW?"

2



3

Process Items: Evaluated by Four Factors

ADLI

- ▶ **Approach:** methods used to accomplish the processes
- ▶ **Deployment:** the *extent* to which the approach is applied
- ▶ **Learning:** *refinement* of approach through cycles of evaluation and improvement
- ▶ **Integration:** *extent of alignment* with organizational needs

For additional context and information see "Scoring Dimensions" and Glossary definitions provided in the Baldrige Framework book

4

Evaluation Factor: Approach

The methods and processes used by an organization to accomplish its work

- i.e. “HOW?”

Approach considers...

- Appropriateness for organization
- Effectiveness



Approaches are systematic if they

- Are well ordered
- Are repeatable
- Use data and information so learning is possible
- Build in the opportunity for evaluation, improvement, and sharing thereby permitting a gain in maturity



5

Evidence of “Approach”

- **Description of process or technique**
 - In text or a graph/chart
- **Identification of key steps**
 - Input; Process steps; Output
- **Appropriateness and Effectiveness**
 - Purpose/goal
 - Alignment to vision/goals/values
 - Alignment/Integration with other processes
 - Describes process owner or participants



6

Approach Maturity: Basic, Overall, Multiple

Basic

Overall

1.2 Governance and Societal Contributions: How do you govern your organization and make societal contributions? (50 pts.)

a. Organizational Governance

(1) **GOVERNANCE System** How does your organization ensure responsible GOVERNANCE? HOW does your GOVERNANCE system review and achieve the following?

- Accountability for SENIOR LEADERS' actions
- Accountability for strategy
- Fiscal accountability
- Transparency in operations
- Selection of GOVERNANCE board members and disclosure policies for them, as appropriate
- Independence and EFFECTIVENESS of internal and external audits
- Protection of STAKEHOLDER and stockholder interests, as appropriate
- Succession planning for SENIOR LEADERS

(2) **PERFORMANCE Evaluation** How do you evaluate the PERFORMANCE of your SENIOR LEADERS and your GOVERNANCE board? HOW do you use PERFORMANCE evaluations in determining executive compensation? HOW do your SENIOR LEADERS and GOVERNANCE board use these PERFORMANCE evaluations to advance their development and improve the effectiveness of leaders, the board, and the LEADERSHIP SYSTEM, as appropriate?

b. Legal and ETHICAL BEHAVIOR

(1) **Legal and Regulatory Compliance** How do you address current and anticipate future legal, regulatory, and community concerns with your products and operations? HOW do you

- address any adverse societal impacts of your products and operations,
- anticipate public concerns with your future products and operations, and
- prepare for these impacts and concerns proactively?

What are your KEY COMPLIANCE PROCESSES, MEASURES, and GOALS for meeting and surpassing regulatory and legal requirements, as appropriate? What are your KEY PROCESSES, MEASURES, and GOALS for addressing risks associated with your products and operations?

(2) **ETHICAL BEHAVIOR** How do you promote and ensure ETHICAL BEHAVIOR in all interactions? What are your KEY PROCESSES and MEASURES or INDICATORS for promoting and ensuring ETHICAL BEHAVIOR in your GOVERNANCE structure, throughout your organization, and in interactions with your WORKFORCE, CUSTOMERS, PARTNERS, suppliers, and other STAKEHOLDERS? HOW do you monitor and respond to breaches of ETHICAL BEHAVIOR?

Multiple: Unbolded text in each area to address.
First multiple question in a set is most important

7

Evaluation Factor: Deployment

Refers to the EXTENT to which an organization's approach is applied. Applies to:

Item requirements that are relevant and important to the organization

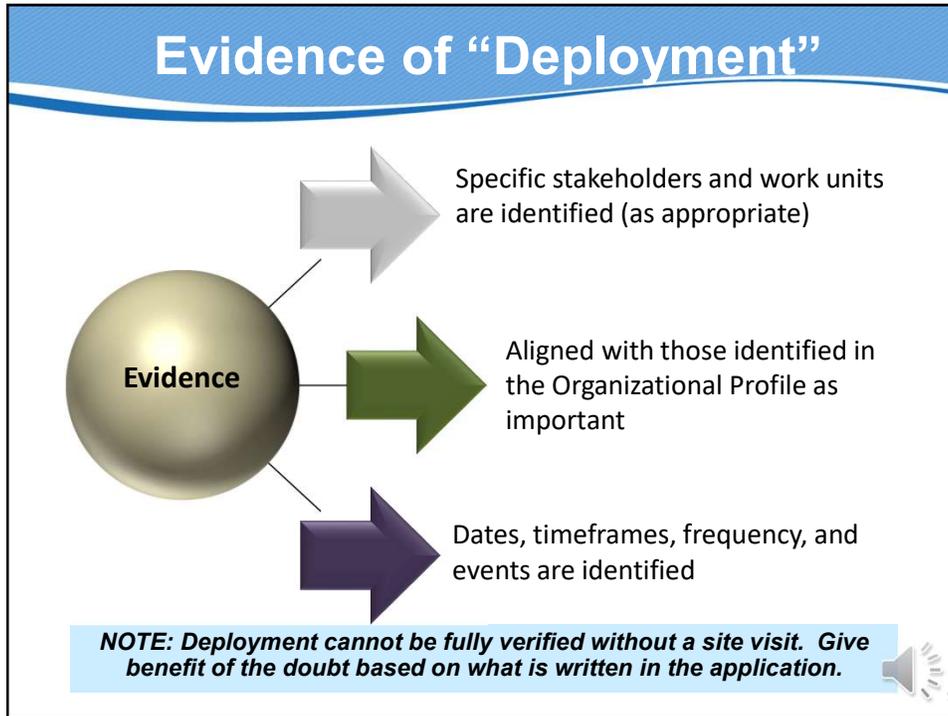
Use by all *appropriate* work units

The **consistency, breadth, and depth** of the approach

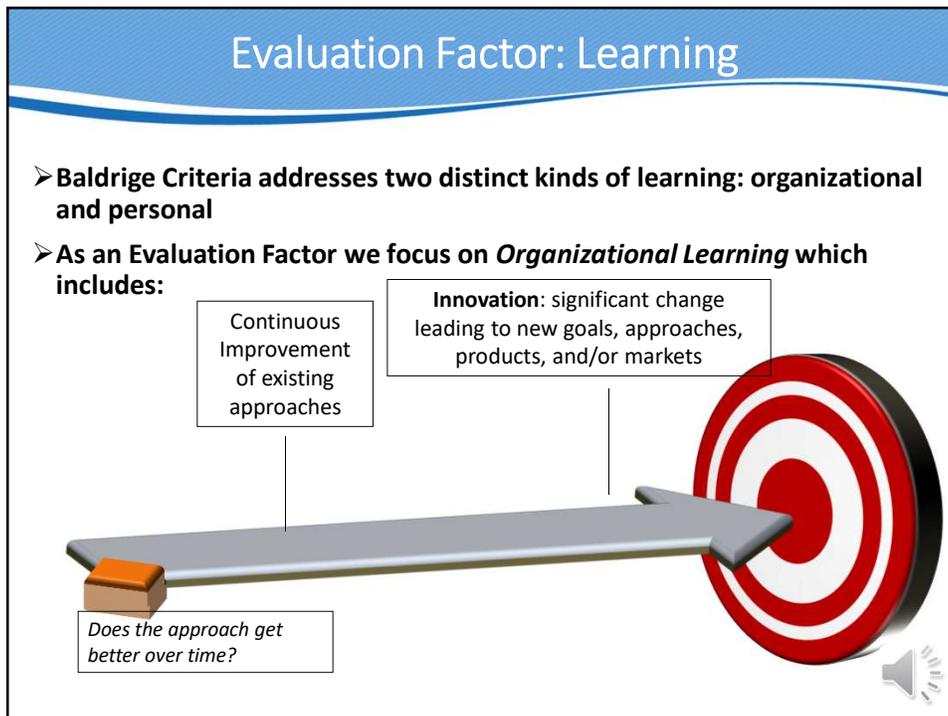
Use with *appropriate* customer segments, stakeholders, products, etc.

Is the Approach deployed as appropriate to achieve the requirement?

8



9



10

Evidence: Three dimensions of organizational learning

- **Refinement: Continuous improvement of existing processes**
 - Evidence: Improvements to how strategic planning is done based on a review of process strengths/OFls at the end of each planning cycle
- **Sharing of refinements and innovations with relevant processes and work units**
 - Evidence: a new process piloted by one work unit is now being used by all work units
- **Breakthrough: change through innovation**
 - Evidence: a breakthrough or discontinuous change to a process or product
 - Creates new value for stakeholders or used in a new application



11

Evaluation Factor - Learning

Just one more thing....



Learning related to Improving a Process	vs.	Learning as an outcome of a Process
The Process being used gets better		The Process being used identifies Improvement elsewhere

12

Evaluation Factor: Integration



Integration: The harmonization of plans, processes, information, resource decisions, actions, results, and analysis to support key organization-wide goals.

Begins with alignment (*consistency*)



13

Defining Alignment and Integration

Begins with alignment (*consistency*)

Culminates in interconnectivity

Integrated Approaches



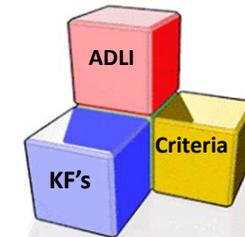
Strategic and Operational Goals



14

Now what?

- *ADLI + Key Factors + Criteria Questions* enable analysis
- As you read Applicant's response identify
 - A [BOM]
 - D
 - L
 - I



15

Putting ADLI together

Example

All customers receive an annual satisfaction survey. Feedback is collected, summarized, and used as input into the strategic planning process and shared with all departments.



What we Know

- ✓ Approach at the overall level (3.2b(1))
- ✓ Deployment to all departments
- ✓ Alignment between customer feedback and strategic planning
- ✓ **Expected Result:** Satisfaction

What we Don't Know

- ? Determination for different customer/market groups
- ? Is actionable information captured

16

Putting ADLI together (continued)

Example

Senior leaders conduct a monthly review of key internal measures and customer data to evaluate performance and to improve. They charter process improvement teams to develop action plans.

What we Know

- ✓ Approach at the Multiple level (4.1b)
- ✓ Learning – improvement but NOT related to the Performance Analysis and Review process
- ✓ Integration (Alignment) of review and important measures

What we Don't Know

- ? Does this include review of capabilities
- ? What analyses is performed to identify action plans
- ? Is comparative data used



17

Application Evaluation: Distinguish between “words” and “facts”

Distinguish

Words

Our organization uses a proven, fact-based strategic planning process

Facts

Our Organization's strategic planning process was first developed in 2001 and has been improved annually. It is a five-step process spanning 3 months and involves both the leadership team and all other employees. Its output is: strategic plan, operating plan, action plans for improvement, individual employee performance plans.



18

9

Identifying Words vs. Facts

“regularly,” “frequently,” “often”

- Empty assertion or *anecdotal evidence*
- Future tense doesn't say what was done
- Inconsistent references to parts of the organization, initiatives, and processes
- “Disappearing” lines of service, customer groups, workforce segments

19

Independent Analysis Worksheet

Category Item: 1.2

Key Factors: (consider ~ 4-6) that are relevant to this item

1. MVV - C Mission: ...
2. Regulatory Environment Mandatory: ...
3. Voluntary, community-based governance;
4. Customer & Stakeholder Key Requirements...
5. Strategic Challenges
6. Strategic Advantages Business

Item #	Observations: what you think you know about the applicant and its key processes so far. To add rows, go to the end of the last table row and press the Tab key	Relevant Evaluation Factors (ADLI or LeTCI)
1.2a(1)	Responsible governance supported by composition/ involvement of BOD & review of performance measures	A
1.2a(2)	Board & Senior Leaders have processes to evaluate performance of CEO, BOD, & SL's.	A D
1.2b(1)	legal, regulatory, and community concerns addressed by having BOD members from community, accreditation, strict adherence to policies & internal/external audits	A I
1.2b(2)	Code of professional conduct for employees and physicians, conflict of interest, and the Corporate Compliance Program (CCP) (Figure 1.1-2) promote legal and ethical behavior	A D I
1.2c(2)	Key communities identified by BOD; reviewed & validated by LC during SPP	A D I

Item #	Observations: What further evidence do you need to see or understand, to reflect that the processes were systematic, repeatable, effective, integrated, and had cycles of learning and improvement? To add rows, go to the end of the last table row and press the Tab key	Relevant Evaluation Factors (ADLI or LeTCI)
1.2a(1)	No Cycles of evaluation for improvement for organizational governance	L
1.2c(2)	Not clear how actions to support/strengthen key communities are identified. (improving key communities; building community health, etc)	A L
1.2b(1)	Limited indication of how future legal, regulatory, and community concerns are anticipated	A
1.2b(2)	no evidence of how breaches are responded to, no measures to ensure ethical behavior.	A D
1.2c	Not clear how processes related to Societal Contributions have been evaluated for improvement	L

Key Factors from Step 2
What is important to the Applicant?

What do you know?

Evidence of

What don't you know?

No Evidence of

20

Independent Analysis Worksheet Category Item: 1.2

Key Factors: (consider ~ 4-6) that are relevant to this item

1. MVV + C Mission: ...
2. Regulatory Environment Mandatory: ...
3. Voluntary, community-based governance;
4. Customer & Stakeholder Key Requirements...
5. Strategic Challenges
6. Strategic Advantages Business

Independent Analysis Summary

Pure Observations - no thought of Strength or OFI

Key Factors can help to identify important Observations

Evidence of

No Evidence of

Item #	Observations: what you think you know about the applicant and its key processes so far. To add rows, go to the end of the last table row and press the Tab key	Relevant Evaluation Factors (ADE or LeTCJ)
1.2a(1)	Responsible governance supported by composition/ involvement of BOD & review of performance measures	A
1.2a(2)	Board & Senior Leaders have processes to evaluate performance of CEO, BOD, & SL's.	A D
1.2b(1)	legal, regulatory, and community concerns addressed by having BOD members from community, accreditation, strict adherence to policies & internal/external audits	A I
1.2b(2)	Code of professional conduct for employees and physicians, conflict of interest, and the Corporate Compliance Program (CCP) (Figure 1.1-2) promote legal and ethical behavior.	A D I
1.2c(2)	Key communities identified by BOD; reviewed & validated by LC during SPP	A D I

Item #	Observations: What further evidence do you need to see or understand, to reflect that the processes were systematic, repeatable, effective, integrated, and had cycles of learning and improvement? To add rows, go to the end of the last table row and press the Tab key	Relevant Evaluation Factors (ADE or LeTCJ)
1.2a(1)	No Cycles of evaluation for improvement for organizational governance	L
1.2c(2)	Not clear how actions to support/strengthen key communities are identified. (Improving key communities; building community health, etc)	A L
1.2b(1)	Limited indication of how future legal, regulatory, and community concerns are anticipated	A
1.2b(2)	no evidence of how breaches are responded to, no measures to ensure ethical behavior.	A D
1.2c	Not clear how processes related to Societal Contributions have been evaluated for improvement	L

21

21

Review of This Module

Assignment:

Step 3: Analyze the Application Item

Next Module:

Step 4: Determine around 6 Strengths and OFIs

22

22