



Alternatives to Baldrige

November 18, 2020

Facilitated by Humans Strategies, LLC

BPU Meeting Objectives

1. Review and set conservation objectives (50 min)
2. What did we learn from Zia and Baldrige (20 min)
3. Baldrige (Zia) alternatives (20 min)
4. Affirm MVV (20 min)
5. Input to and prioritization of FY2022 Focus Areas and Goals and Objectives(50 min)

2. What Have We Learn From the Zia Application Baldrige Process?



Why Baldrige? Past recipients have seen improvements in:

- Revenue
- Market Share
- Employee involvement and engagement
- Cost/waste/error reductions
- ROA, ROI and ROE
- Product Reliability

"The [Baldrige] Criteria help you link your strategy, your human capital process, your leadership development process, all of your core operations together and help them focus on what your customers actually want." ~ Scott McIntyre, Managing Partner, Price WaterHouse Coopers

2. What Did We Learn From the Baldrige Process? Benefits & Improvements - Jack Richardson



- **Providing a framework for a culture of continuous improvement.** Following the Baldrige methodology for performance excellence has helped us demonstrate our value of being an “organization that encourages continuous learning.”
- **Becoming a more data driven organization.** Dashboards and graphics were created to include Key Operating Performance Measures and to measure year-to-year and multi-year comparisons of efficiency, reliability, safety and effectiveness.
- **Improved transparency in planning, budgeting and rate setting.** The presentations of 10-year and 20-year projections for rates, budgets and CIPs were improved by incorporating better visual graphics and creating simple stories to share with leadership, stakeholders and the community.
- **Operating Procedures Committee.** We have a better appreciation for the importance of well documented, easily available and regularly maintained Standard Operating Procedures for the benefit of current staff, but more importantly, for successful staff transitions and succession.

2. What Did We Learn From the Baldrige Process? Benefits & Improvements – Julie Williams-Hill



- **Strategic Planning.** A 2009 OFI flagged an undefined method to plan the future. As such, an annual strategic planning process was developed to align the plans with our MVV and stakeholder feedback and communicate these plans to employees via all-hands meetings, strategic plan posters and quarterly exchange meetings.
- **Deployment, Integration and Learning.** Each feedback report flags new areas where we have developed a procedure but it has not been *deployed* to the employees, *integrated* into our business model and reviewed so that we can *learn and improve*. This ties into the Plan/Do/Study/Act (PDSA) process. For example, we learned that our procedure for maintaining standard operating procedures had been developed, but not yet successfully deployed or integrated.
- **Tracking the right measures.** A 2014 OFI identified that our LA SCORES (measures being tracked and reported to BPU and Council quarterly) did not align to our MVV and strategic objectives. Therefore, they didn't help us to make decisions on the health of our department. Many of the measures have been refined to address this.
- **Monopoly.** The most recent feedback from the 2019 QNM team was that DPU should not be complacent in its position as a monopoly. Customers do have choices (e.g., rooftop solar with batteries, gray water systems, water harvesting, etc.). This has helped us to understand that our business model needs to be flexible and able to adapt.
- **Safety Culture.** The department has implemented several successful safety initiatives as a result of the Baldrige process. These include the creation of a written Safety Culture Vision, the DPU Safety Committee, the Safety Employee of the Quarter program, and regular monthly reporting on accidents and the OSHA incident rates.

2. What Did We Learn From the Baldrige Process? Challenges with Implementation – James Alarid



- **Right fit for DPU?** In the 2019 QNM site visit debrief, the lead examiner said that given DPU's structure and governance, we will never meet the criteria in certain areas.
- **Minimal actionable recommendations.** My observation after presenting the feedback to the Board was, they felt there were minimal actionable recommendations, and they questioned the applicability of a quality management program that does not fit our organization. (Only Customer Service Issues tracking software was budgeted.)
- **Staff effort.** The level of staff time and effort required to continuously track performance against the Baldrige criteria and then apply for recognition is huge. I believe using a consultant to prepare the application is a necessity.
- **Competing priorities.** As contributing member to three applications and supervisor of the DPU QNM lead for ten years, I have observed the needs of our daily work/schedule and quality management initiatives compete.
- **Need QNM Examiners.** To make our best effort on a future QNM application, we should have staff participating as QNM Examiners.
- **Low scores that are difficult to understand.** I felt that the 2019 Zia application was much better than the evaluation team's assessment of 30%-40% out of the 100% in all categories.
- **Management audit Charter requirement.** The next management audit will be due in four years and we need to pick a path now to work towards over the next four years. Recommend deciding now if QNM/Baldrige feedback report satisfies the management audit requirement.

3. Baldrige Alternatives - Philo



- Consider Hiring a Consultant to Perform a Management Audit
 - Charter identifies “at least every five years thereafter, the BPU shall employ a qualified consultant to review, comment and make recommendations as to the operation and condition of the County Utilities.”
 - The Baldrige Zia Application reviewed operations but did not review the condition of the Utilities
 - The last comprehensive condition assessment performed by a qualified consultant was performed in 2000.
 - This Fiscal Year \$50,000 was budgeted in each fund for a total of \$200,000 to perform a condition assessment by a qualified consultant.
 - A Comprehensive Management Audit by a qualified consultant to review, comment and make recommendations as to the operation and condition of the County Utilities would cost between \$300,000 to \$400,000.

3. Baldrige Alternatives - Philo



J.D. Powers Customer Service Survey

- Includes Utility benchmarking, performance improvement, and certifications and answers the following questions:
 - [1. How does your customer service organization stand up against others?](#)
 - [2. How are you performing in specific service channels?](#)
 - [3. What can you do to improve?](#)
 - [4. What are top performing call centers doing to excel?](#)
 - [5. What does it take to have a certified customer service program?](#)
- **2020 Utilities Climate Leadership Program and Benchmarks**
- **Customer Service Survey is Budgeted for \$50,000 this Fiscal Year**

3. Baldrige Alternatives - Philo



APWA Accreditation Program (Every Four Years)

- Create impetus for organization self-improvement and stimulate general raising of standards
- Offer a voluntary evaluation and education program rather than government-regulated activity
- Recognize good performance and provide motivation to maintain and improve performance
- Improve performance and the provision of services
- Increase professionalism
- Instill pride among agency staff, elected officials and the local community
- Cost is between \$10,000 and \$15,000 plus staff preparation time over two years on average and comes with a Management Practices Manual to use.

3. Baldrige Alternatives - Philo



APWA Accreditation Example:

What does APWA Accreditation mean for the City of Golden?

- Accreditation means our Public Works Department is one of the premier, best-managed, professional Public Works Departments in North America.
- Accreditation means the Public Works Department's management practices and policies have been tested against nationally-established practices through an independent review by public works professionals from across the nation.
- Accreditation means the residents of Golden can feel confident that their Public Works Department is committed to continuous improvement in providing responsible stewardship of the City's infrastructure.
- Accreditation means Golden's Public Works Department is providing services in the most efficient manner possible, ensuring its citizens good value for their dollar.
- Accreditation means that complying with the best available, nationally-recognized management practices provides protection against spurious law suits by unscrupulous attorneys.
- Finally, accreditation means that compliance with the established management practices ensures that Public Works is adhering to the most sustainable methods of conducting its business.

3. Baldrige Alternatives - Philo



APWA Accreditation Program (Every Four Years)

- Review of Los Alamos National Laboratory's APWA Accreditation Program Presented by Lawrence Chavez, Deputy Director for Utilities and Institutional Facilities

3. Baldrige Alternatives - Dawn



- Shingo
 - +Work culture, improvement, sustainability, focused on behaviors
 - No expertise in NM
 - Tuition \$45,000, consulting \$100k + /year; similar in length to Baldrige
- ISO
 - +World-wide standards, better products and services, productivity
 - More process than enterprise & culture oriented
 - \$60-80k/year; at least 3-4 year effort
- Human Strategies Alternative Assessment
 - +Tailored Baldrige-based assessments, significantly less than Zia in cost and effort
 - No true score or award
 - \$25k-50k

3. Baldrige Alternatives - Dawn

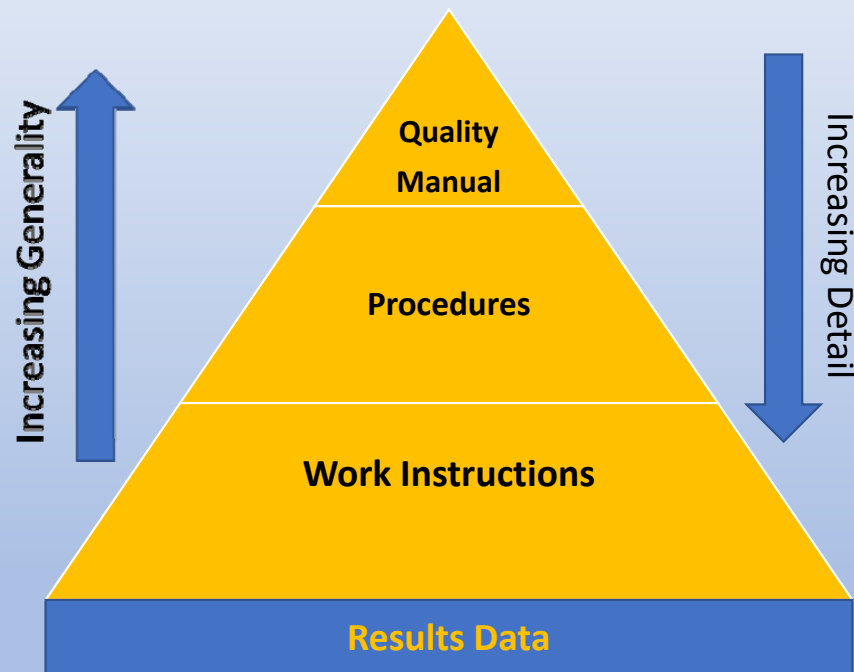


- Additional ISO presentation by Mr. Graham Barlett

Why Mess with a QMS?

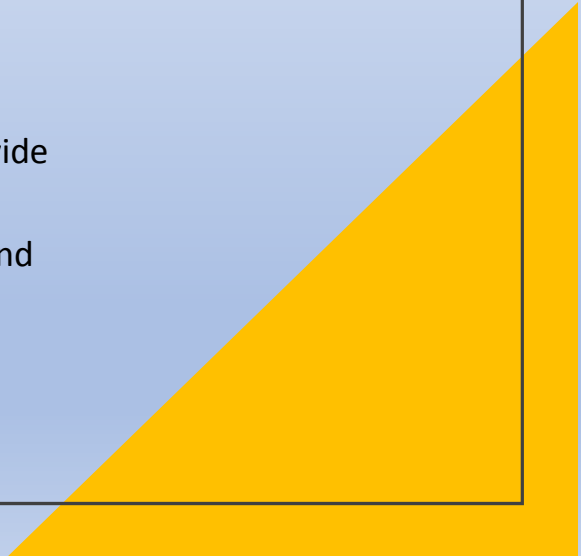
- Why mess with a financial system? So you can plan and execute the best way to serve your customers!
 - Why mess with a QMS? So you can plan and execute the best way to serve your customers!
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- The first tells you how well you are spending your financial resources to meet customer needs
 - The second tells you how well your resources are performing to meet customer needs

What does a Quality Management System look like?



- **Quality Manual** explains how your quality and business management systems integrate
- **Procedures** provide information on how to conduct general processes
- **Work Instructions** detail how to conduct specific processes
- **Results data** reveal how processes are performing

Performance

- Are your resources working effectively?
 - Do your people have the competence and the tools to do their job?
 - Are your work process functioning as they should?
 - How much “waste” is produced?
 - How do you know?
 - Are you continually improving your operations, seeking innovative ways to provide services?
 - Is your management team fully committed to answering the above questions and seeking higher and higher levels of operational excellence?
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Learn to
crawl
before
you try
to run

- The ISO 9001 standard represents the minimum requirements for running a quality operation.
- Without the basics, being a Baldrige level organization can be almost impossible.
- Step-by-step learn how to set performance objectives, how to measure those objectives, how to analyze your processes, how to improve their effectiveness, and how to make your workforce proud and dedicated to making the organization the best it can be.

3. Baldrige Alternatives



Discussions, Questions, and Direction by BPU