#We Are Sterling

Elevating organizational performance excellence.

How to Respond to the Criteria

These guidelines explain how to respond most effectively to the requirements of the 17 process and results Criteria items. See also the Scoring System, including the scoring guidelines, which describes how to assess responses and determine your organization's performance accomplishments.

First Steps

1. Learn about the Sterling framework.

Become familiar with the following sections, which provide a full orientation to the Sterling framework:

- Criteria for Performance Excellence
- Scoring System
- Glossary of Key Terms
- Category and Item Commentary

2. Understand how to read and respond to a Criteria item.

Review the Sterling Criteria for Performance Excellence Structure, which shows the types of items, the different parts of the items, and the role of each part. Pay particular attention to the multiple requirements within the areas to address and the notes.

Item requirements are presented as questions. Some requirements in the areas to address include multiple questions. To fully respond to the requirements, address all the questions, as missing information will be interpreted as a gap in your performance management system. However, you do not need to answer each question separately. These multiple questions express the full meaning of the information being requested. You may group responses to multiple questions within a single area to address in a way that is appropriate to your organization.

3. Review the scoring guidelines.

Consider both the Criteria and the scoring guidelines as you prepare your responses. As a complement to the requirements of the process items (categories 1–6), the process scoring guidelines address the maturity of your approaches, the extent of their deployment, the extent of learning, and the extent of integration with other elements of your performance management system.

Similarly, as a complement to the requirements of the results items (category 7), the results scoring guidelines focus on the actual performance levels, the significance of the results trends, relevant comparative data, integration with important elements of your performance management system, and the results of the improvement process.

4. Understand the meaning of key terms.

Many terms in the Criteria and scoring guidelines have meanings that may differ somewhat from common meanings. Terms printed in CAPS are defined in the Glossary of Key Terms. Understanding these terms can help you accurately self-assess your organization and communicate your processes and results to those reviewing your responses and planning your improvement efforts.

5. Start with the Organizational Profile.

The Organizational Profile is the most appropriate starting point. Whether you are using the Criteria for self-assessment, writing an application, or reviewing either of these, the Organizational Profile helps you understand what is most relevant and important to your organization's business, mission, and performance.

Responding to Process Items

Although the Criteria focus on key organizational performance results, these results by themselves offer little *diagnostic value*. For example, if some results are poor or are improving at rates slower than your competitors' or comparable organizations' results, you need to understand why this is so and what you might do to accelerate improvement.

Your responses to process items (categories 1–6) permit you or those who are reviewing your responses to diagnose your organization's *most important* processes—the ones that contribute most to organizational performance improvement and result in key outcomes or performance results. This diagnosis and the quality of the feedback you receive depend heavily on the content and completeness of your responses. For this reason, respond to these items by providing information on your key processes. Guidelines for organizing and reviewing such information follow.

1. Understand the meaning of *how.*

In responding to questions in process items that begin with *how*, give information on your key processes with regard to approach, deployment, learning, and integration (ADLI; see the Scoring System). Responses lacking such information, or merely providing an example, are referred to in the scoring guidelines as *anecdotal information*.

Show that *approaches* are systematic. Systematic approaches are repeatable and use data and information to enable learning. In other words, approaches are systematic if they build in the opportunity for evaluation, improvement, innovation, and knowledge sharing, thereby enabling a gain in maturity.

Show *deployment.* In your responses, summarize how your approaches are implemented in different parts of your organization.

Show evidence of *learning*. Give evidence of evaluation and improvement cycles for processes, as well as the potential for innovation. Show that process improvements are shared with other appropriate units of your organization to enable organizational learning.

Show *integration*. Integration is alignment and harmonization among processes, plans, measures, actions, and results. This harmonization generates organizational effectiveness and efficiencies.

Showing alignment in the process items and tracking corresponding measures in the results items should improve organizational performance. In your responses, show alignment in four areas:

- In the the Organizational Profile, make clear what is important to your organization.
- In Strategy (category 2), include the strategic objectives, action plans, and core competencies, highlight your organization's areas of greatest focus and describe how you deploy your strategic plan.
- In describing organizational-level analysis and review (item 4.1), show how you analyze and review performance information as a basis for setting priorities.
- In Strategy (category 2) and Operations (category 6), highlight the work systems and work processes that are key to your organization's overall performance.

2. Understand the meaning of *what*.

Two types of questions in process items begin with what. The first requests basic information on key processes and how they work. Although it is helpful to state who performs the work, diagnosis or feedback also requires a description of how the process works.

The second type of what question asks you to report key findings, plans, objectives, goals, or measures. These questions set the context for showing alignment and integration in your performance management system. For example, when you identify key strategic objectives, your action plans, some performance measures, and some results in category 7 are expected to relate to those strategic objectives.

Responding to Results Items

1. Focus on your organization's most critical performance results.

Report results that cover the most important requirements for your organization's success, as highlighted in the Organizational Profile and in the Leadership, Strategy, Customers, Workforce, and Operations categories.

2. Report levels, trends, and comparisons, and show integration.

Report ***performance levels*** on a meaningful measurement scale.

Report *trends* to show the directions of results and rates of change in areas of importance. A minimum of three historical data points is generally needed to ascertain a trend. Trends should represent historic and current performance and not rely on projected (future) performance.

There is no minimum period for trend data; time intervals between data points should be meaningful for the measure(s) you report. Trends might span five or more years or less than one year, depending on what is meaningful. For important results, include new data even if trends are not yet well established. *Explain trends that show a significant beneficial or adverse change.*

Report *comparisons* to show how your results compare with those of other, appropriately selected organizations.

Show *integration* by including all important results, and segment them appropriately (e.g., by important customer, workforce, process, and product-line groups).

Responding Efficiently

1. Cross-reference when appropriate.

Ensure that each item response is as self-contained as possible and that responses to different items are mutually reinforcing. To accomplish this, refer to other responses rather than repeat information. In such cases, give key process information in the item requesting that information. For example, you would describe workforce development and learning systems in item 5.2. Discussions about workforce development and learning elsewhere in your application would then reference but not repeat details given in Item 5.2.

2. Use a compact format.

To make the best use of space, use flowcharts, tables, and lists to present information concisely. Page limits are designed to force your organization to consider what is most important in managing your enterprise and reporting your results.

3. Use graphs and tables.

You can report many results compactly by using graphs and tables. When you report results over time or compare them with others, "normalize" them (i.e., present them in a way—for example, as ratios—that takes size factors into account). For example, if the number of employees has varied over the period or if you are comparing your results to those of organizations differing in size, safety trends will be more meaningful if you report them as lost workdays per 100 employees rather than as total lost workdays.

The graph below shows one part of a possible response to item 7.1, Product and Services and Process Results. In the Organizational Profile, the organization has identified Six Sigma as a key element of its performance improvement system. Defects per million opportunities is one of its measures.

The graph illustrates a number of characteristics of clear and effective results reporting:

- Both axes and units of measure are clearly labeled.
- Levels and trends are reported for a key performance measure—defects per million opportunities.
- Results are presented for several years.
- An arrow indicates that a downward trend is good for this measure.
- Appropriate comparisons are shown clearly.
- In a single graph, the organization segments its results for its three product lines, showing that they are tracked separately.
- The organization projects improved performance, including discontinuous or breakthrough improvement in 2015 relative to prior performance for product line B. The text should explain this breakthrough change and might refer to critical learning from product line A as the basis for the projected change.

Interpreting the graph with the scoring guidelines in mind would result in the following observations on the organization's performance and maturity level:

- The current overall organizational performance level is excellent. This conclusion is supported by company performance trends, the comparison with industry competitors, and a "world-class" level for productline A.
- The overall organization shows beneficial improvement trends sustained over time.
- Product line A is the current performance leader—showing sustained high performance (at approximately 5 defects per million) and a slightly beneficial trend since 2011. Product line B shows rapid improvement. Its performance is close to that of the best industry competitor but trails product line A.
- Product line C—identified in the text as a new product—is having early problems with defects but is projecting a turnaround. (The organization should briefly explain these problems and the basis for the turnaround.)
- The organization has projected improvements in the defect rates of all its product lines. Product line C continues to lag behind the others; product line A is projected to meet its Six Sigma goals by 2016.

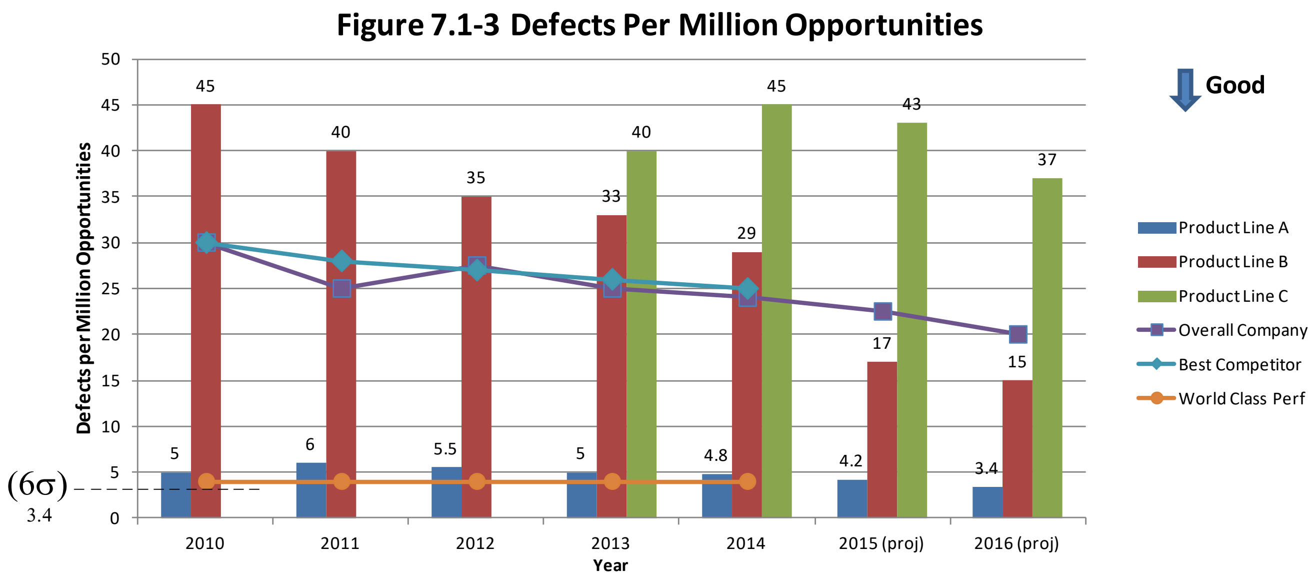

Figure 7.1-3 Defects Per Million Opportunities
Good
Defects per Million Opportunities
Year
(6σ)
3.4
2010
2011
2012
2013
2014
2015 (proj)
2016 (proj)
Product Line A
Product Line B
Product Line C
Overall Company
Best Competitor
World Class Perf