

ETLS 551 -- Strategic Quality Management**Fall 2009**

Instructor: Dr. John V. Fechter, Mr. Gary Floss

Time: Section 01, Monday, 5:30 – 8:30 p.m.
Section 02, Tuesday, 5:30 – 8:30 p.m.

Location: St. Paul Campus, Monday & Tuesday sections - OWS 250

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Required Text: Texts:

- **2009-2010 Malcolm Baldrige Criteria for Performance Excellence**, <http://baldrige.nist.gov/Criteria.htm>, (business/nonprofit)
- **2009-2010 Malcolm Baldrige Education Criteria for Performance Excellence**, <http://baldrige.nist.gov/Criteria.htm>, (education)
- **2009 Malcolm Baldrige Case Study (Nightingale College of Nursing)**, http://www.quality.nist.gov/Nightingale_College.htm
- **Baldrige National Quality Program CEO Issue Sheet, (Baldrige: Performance Excellence Delivers World-Class Results)**, http://www.quality.nist.gov/Issue_Sheet_Excellence.htm

- ***Rich and Famous*** - article by John Fechter

Reprint and Case Study Readings:

- **Harvard Business Review**, Reprint Number 92108: Successful Change Programs Begin with Results
- **Harvard Business Review**, Reprint Number R00202: Meeting the Challenge of Disruptive Change
- **Harvard Business Review**, Reprint Number R0101D: Level 5 Leadership
- **Harvard Business Review**, OnPoint Article; Product Number 239X: What's a Business For? (HBR OnPoint Enhanced Edition)
- **Harvard Business Review**, OnPoint Article; Product Number 858X: Turn Customer Input into Innovation
- **Harvard Business Review**, Reprint Article R0805H: The Customer-Centered Innovation Map
- **Six Sigma Forum Magazine**, "Manage Behavioral Changes", Volume 1, Number 2, February 2002, pp 32-36, by Tracy Thurkow, CLG Incorporated.
- **Harvard Business Review**, OnPoint Article; Product Number 7893: How Process Enterprises Really Work (HBR OnPoint Enhanced Edition)
- **Harvard Business Review**, Reprint Number 96310: Why Do Employees Resist Change?
- **Harvard Business Review**, Reprint Number 95606: Why Satisfied Customers Defect
- **Harvard Business Review**, Reprint Number 99401: Turning Goals into Results: The Power of Catalytic Mechanisms

**Course
Description:**

Strategic Quality Management is presented as a **Driver** → **System** → **Results** model.

The DSR model provides a framework for better understanding your business and when and where to take action to improve results.

The model is a tool that links company mission, strategic plans, competitive positioning, and customer focus as the **Driver**. People and processes form the **System** that actually designs, produces, and delivers products and services. And **Results** include financial, customer, employee, and process.

This course also connects the DSR model with the Malcolm Baldrige Criteria for Performance Excellence, six sigma improvement tools, ISO9000, and quality management systems and tools such as Statistical Process Control (detailed training in tools such as SPC is not part of the class). The use of A3 tools is also covered as a tactic to

deploy strategic quality management in an organization.

In addition to developing an understanding of how to guide and manage quality strategically, the course also helps to identify and prioritize the "right questions to ask" to guide and manage tactically. Applying the course to real world situations should lead to improved results - financial, customer, employee and process.

- Course Objectives:**
- To develop a practical understanding of the business excellence (DSR) model and be enabled to achieve performance excellence in their own organization by applying that knowledge.
 - To understand how strategy, tactics, and measures integrate with the organization's practices, tools, and systems.
 - To be able to communicate general mission and vision objectives into specific, actionable goals and projects in subordinate departments.

Learning Outcomes:

Upon successful completion of course, students will be able to:

- Understand and explain the Driver, Systems, Results model and apply it to their life and their business.
- Understand the Malcolm Baldrige model of business excellence, how to apply it as a management tool and guide to prioritizing and making organizational changes that improve results
- Explain the similarities and differences between Six Sigma, ISO9000:2000, and the Baldrige Criteria for Business Excellence.
- Identify and understand the linkage between strategy, tactics, continuous improvement, and business results.
- Critique and evaluate the value of proposed improvement projects. Know how to guide and challenge the scope of improvement proposals, and know how to apply an action orientation of **Start, Stop, or Keep** to any measure used in the enterprise.
- Link company strategy and tactics to performance scorecards, department and individual goals, and competitive performance
- Speak the language of money and the language of things. i.e. Translate technical opportunities into management actions, and vice versa.
- Know the right questions to ask so that long-term and short-term priorities are appropriately considered when utilizing resources and making decisions.
- Apply course content to real world opportunities leading to improved results -- Financial, Customer, Employee, and Process. Ethics in business are a core value of Strategic Quality Management. Course content and discussions will reinforce this core value, and increase awareness of the kinds of ethical issues

that may present themselves.

**Course
Methodology:**

The course will utilize:

- class lectures and outside readings,
- discussion exercises in class,
- several outside speakers,
- and individual and team projects including written reports and class presentations. A very limited amount of time will be available to work on team projects during some classes, but most team project work is done outside of class hours.

**Major
Assignments:**

Team Projects	25 Points
Individual Mid-Term Paper	10 Points
Final Paper (Action Plan)	20 Points
Mid-term Exam	15 Points
Final Exam	20 Points
Class attendance and Participation	10 Points
Total:	100 Points

Grading Policy:

95-100 points A
 92-94 points A-
 89-91 points B+
 86-88 points B
 83-85 points B-
 80-82 points C

Related Courses:

- ETLS 504 Excellence in Operations
- ETLS 640 Lean Six Sigma
- ETLS 670 Masterful Leaders and Leadership
- ETLS 674 Managing for Improved Performance

Academic Integrity:

All students are expected to understand and follow the University of St Thomas policies on Academic Integrity. These are described at:

<http://www.stthomas.edu/engineering/graduate/policies/>

Exams: Exams are one of the instruments used to evaluate the knowledge gained by an individual student of the class subject matter, and the progress towards meeting the outcomes of the class and the degree. To this end all exams (in class or take home) are intended to represent the effort of the individual and not a group effort unless specifically stated otherwise.

Students with Disabilities

Qualified students with documented disabilities who may need classroom accommodations should make an appointment with the Enhancement Program – Disability Services office. Appointments can be made by calling 651-962-6315. You may also make an appointment in person in O’Shaughnessy Educational Center, room 119. For further information, you can locate the Enhancement Program on the web at

<http://www.stthomas.edu/enhancementprog/>.

Attendance Policy:

Students are expected to attend all class sessions. Circumstances which prevent attendance will be honored up to two instances. Absences in excess of two times may result in a lower grade for the course. Contact the instructor when a special situation arises. All absences require that the instructor be informed in advance.

Restrictions:

All classes are non-smoking.

During class sessions, cell phones, PDAs (Personal Digital Assistants), and pagers must be turned off or set to vibrate. Students must leave the classroom for any telephone calls. Text-messaging or e-mailing during class is assumed to indicate that the student is not present and points may be subtracted for class attendance.

Audio or video recording or digital image capture of class sessions is not permitted.

Bibliography:

None of the following texts, readings, or resources is required for ETLS 551. These references are listed for the convenience of students interested in pursuing additional information.

OPTIONAL READING & REFERENCE SUGGESTIONS**References: Quality Body of Knowledge**

- American Society for Quality, www.asq.org
- Minnesota Section #1203, American Society for Quality, www.mnasq.org

- Minnesota Council for Quality, www.councilforquality.org
- Carlson School of Management, University of Minnesota Joseph M. Juran Quality Body of Knowledge: <http://www.csom.umn.edu/Page5508.aspx>
- Quality Tools and Memory Joggers: www.goalqpc.com

Selected Reference Books/Articles:

- **The Six Sigma Way**, Pande, Neuman, and Cavanaugh, **Publisher:** McGraw-Hill; (April 27, 2000), **ISBN-10:** 0071358064, **ISBN-13:** 978-0071358064
 - *(about: How GE, Motorola, and Other Top Companies are Honing Their Performance)*
- **Built To Last**, Collins and Porras, HarperCollins Publishers; January 15, 1997, **ISBN-10:** 0887307396 **ISBN-13:** 978-0887307393
 - *(about: Successful Habits of Visionary Companies)*
- **Quality Makes Money**: Co-authored by Pat Townsend and Joan Gebhardt; 2006; paperback edition; Publisher – ASQ Quality Press; **ISBN:** 0-87389-660-2
 - *(about: How to Involve Every Person on the Payroll in a Complete Quality Process)*
- **Good to Great: Why Some Companies Make the Leap... and Others Don't**, Jim Collins, **Publisher:** Collins (October 16, 2001), **ISBN-10:** 0066620996, **ISBN-13:** 978-0066620992
 - *(about: Why Some Companies Make the Leap... and Others Don't)*
- **Getting the Right Things Done**, by Pascal Dennis, Lean Enterprise Institute, Cambridge, MA, USA, December 2006. www.lean.org, ISBN: 0-9763152-6-2
 - *(about: Nuts and bolts of strategy deployment)*
- **Total Quality: Management, Organization and Strategy**, Co-authored by James R. Evans and James W. Dean; 2004; paperback edition; Publisher - South-Western College Pub; **ISBN:** 0324301596
 - *(about: The basic principles and tools associated with Total Quality)*
- **Sailing Through Six Sigma**, by Michael Brassard and Diane Ritter; 2001; Publisher – Brassard & Ritter, LLC, **ISBN:** 0970683901
 - *(about: User-friendly and comprehensive guides for implementing the Six Sigma performance improvement process)*
- **Managing to Learn: Using the A3 Management Process to Solve Problems, Gain Agreement, Mentor, and Lead**, by John Shook, Lean Enterprise Institute, Cambridge, MA, USA, October 2008. www.lean.org, **ISBN-13:** 978-1934109205
 - *(about: What a true leader in action looks like)*
- **The Secret of Enduring Greatness**, by Jim Collins; Fortune – May 5, 2008
 - *(about: Companies that have stayed the course and have managed to adapt to changing conditions)*
- **When Growth Stalls**, by Olson, Von Bever, Verry; Harvard Business Review; March 2008
 - *(about: The characteristics that commonly correlate with stalled growth, and how to combat them)*

- **Leading Change**, by John Kotter; Harvard Business Review; January 2007
 ➤ (about: Why transformation efforts fail and how to combat the issues)

Strategic Quality Management						
ETLS 551 Readings -- Revised 27 August 2009						
				Read the assigned material prior to each night's class		
Date	Class	Primary Theme	Instructor	Article Readings	2009-2010 Baldrige Criteria (Business/Non-profit)	Nightingale Case Study
14 or 15-Sep-09	1 of 14	Bottom line value of Strategic Quality Management	Gary Floss	No HBR readings prior to the first class	READ http://baldrige.nist.gov/PDF_files/Issue_Sheet_Excellence.pdf	no readings

21 or 22- Sep- 09	2 of 14	Begin with the end in mind	John Fechter	Rich and Famous article by John Fechter	inside front cover, pp. i-iv; pp. 1-2 pp. 56-76, 80; inside back cover, back cover	Nightingale Case: pp. i - xvi
28 or 29- Sep- 09	3 of 14	Core Values	John Fechter	HBR On-Point Article; Product Number 239X; What's a Business For?	Baldrige Core Values & Background of Criteria pp. 49-55; 4-6; 27-36	Nightingale Case: pp. xvii - xxi
05 or 06- Oct- 09	4 of 14	Orientation to A3 Templates; Orientation to Baldrige Results	Gary Floss	HBR , Reprint 92108: Successful Change Programs Begin with Results	Category 7 Overall Results pp. 23-26; 46-48; 32-34	Nightingale Case: Review Category 7 Results pp. 30-50
12 or 13- Oct- 09	5 of 14	Leadership	Gary Floss	HBR , Reprint R0101D; Level 5 Leadership	Category 1; Item 7.6 pp. 7-9; 36-37; 26; 48	Nightingale Case: 1-6; 48-50
19 or 20- Oct- 09	6 of 14	Strategic Planning	John Fechter	HBR , Reprint R00202; Meeting the Challenge of Disruptive Change	Category 2; Item 7.3 pp. 10-12; 37-39; 24; 47	Nightingale Case: 6-10; 38-40

26 or 27- Oct- 09	7 of 14	Customer & Market Focus	Gary Floss	<p>HBR, On-Point Article; Product Number 858X; Turn Customer Input into Innovation</p> <p>HBR, Reprint R0805H; The Customer-Centered Innovation Map</p>	<p>Category 3; Item 7.2</p> <p>pp. 13-15; 39-40; 23-24; 47</p>	<p>Nightingale Case:</p> <p>10-16; 34-38</p>
02 or 03- Oct- 09	8 of 14	Measurement, Analysis, and Knowledge Management; Take-home Mid-Term Exam + in- class part	John Fechter	<p>The Six Sigma Forum article (Feb2002) - Manage Behavioral Changes</p>	<p>Category 4; Item 7.1</p> <p>pp. 16-17; 40-42; 23; 46-47</p>	<p>Nightingale Case:</p> <p>16-20; 30-34</p>
09 or 10- Nov- 09	9 of 14	Human Resource Focus	Gary Floss	<p>HBR, Reprint 96310; Why Do Employees Resist Change?</p>	<p>Category 5; Item 7.4</p> <p>pp. 18-20; 43-44; 24-25; 47</p>	<p>Nightingale Case:</p> <p>20-25; 40-44</p>
16 or 17- Nov- 09	10 of 14	Process Management	John Fechter	<p>HBR On-Point Article; Product Number 7893; How Process Enterprises Really Work</p>	<p>Category 6; Item 7.5</p> <p>pp. 21-22; 44-46; 25; 47-48</p>	<p>Nightingale Case:</p> <p>26-30; 44-48</p>
23 or 24- Nov- 09	11 of 14	Business Results	John Fechter	<p>HBR, Reprint 95606; Why Satisfied Customers Defect</p>	<p>Category 7 Overall Results</p> <p>Review pp. 23-26; 46-48; 32-34</p>	<p>Nightingale: Review Category 7 Results</p> <p>pp. 30-50</p>

30- Nov or 01- Dec- 09	12 of 14	Overall A3 Tutorial – Business Strategy	Gary Floss	HBR, Reprint 99401; Turning Goals into Results: The Power of Catalytic Mechanisms	no Readings	Nightingale Case: Feedback Report
07 or 08- Dec- 09	13 of 14	Making change Happen - Permanent and Sustained versus Fads, Buzzwords, Program of the Month Final Individual A3 Reports Due	John Fechter	no readings	RE-READ Baldrige Core Values pp. 48-52	no readings
14 or 15- Dec- 09	14 of 14	Theory to Action & In- class Final Exam	Gary Floss	no readings	no readings	no readings