Self-Assessment of Organizational Maturity To Sustain Success

By
Paul J. Kunder
GENERAL PROCESS APPROACH P-D-C-A
CORE ENVIRONMENT

The integrity of your value-added self-assessment relies on objectivity, openness and the effective involvement of people during the evaluation of maturity levels.

If there is a concern with respect to openness, consideration should be given to having a broad selection of employees complete the questionnaire anonymously.
ISO 9000
MANAGEMENT PRINCIPLES
ISO 9000

MANAGEMENT PRINCIPLES

1. Customer focus
2. Leadership
3. Involvement of people
4. Process approach
5. System approach to management
6. Continual improvement
7. Factual approach to decision making
8. Mutual beneficial supplier relationships
1 – Customer focus

Organizations depend on their customers

But never forget the other interested parties

CUSTOMER

Quality of Product / Service

SHAREHOLDERS

Return on investment

SUPPLIERS

Business Continuity

SOCIETY

Responsible Behavior

EMPLOYEES

Personal Development
Leaders provide:

- Unity of purpose
- Direction
- Internal environment
People are the essence of the organization

Their full involvement enables using their abilities to the benefit of the organization
A desired result is achieved more efficiently when activities and related resources are managed as a process.
Identifying, understanding and managing interrelated processes as a system contributes to the organization’s effectiveness and efficiency in achieving its objectives.
The methodology known as “Plan-Do-Check-Act” can be applied to all processes of the QMS.

**Plan:** establish objectives and processes necessary to deliver results in accordance with customer requirements and the organization’s policies.

**Do:** implement the processes.

**Check:** monitor and measure processes and product against policies, objectives and requirements for the product and report the results.

**Act:** take actions to continually improve process performance.

**A permanent objective of the organization**
7 - Factual approach to decision making

Effective decisions are based on the analysis of data and information
8 - Mutually beneficial supplier relationships

An organization and its suppliers are interdependent

A mutually beneficial relationship enhances the ability of both to create value
OVERVIEW OF ASSESSMENT STEPS
OVERVIEW OF ASSESSMENT STEPS

**PLAN**
- Gain Management Commitment
- Select Team
- Review Maturity Levels

**DO**
- Initial Assessment
- Comprehensive Assessment

**CHECK**
- Validate Results

**ACT**
- Select & Deploy Improvement Tools
SELF ASSESSMENT
IMPLEMENTING MANAGEMENT PRINCIPLES

Gain Management Commitment

• Buy-In Is Critical

• Must Have Their Full Support & Commitment (e.g. Resources)

• Willingness To Deploy Improvement Tools
SELF ASSESSMENT
IMPLEMENTING MANAGEMENT PRINCIPLES

Select Team

• Cross Functional

• Various Organizational Levels

• Knowledge of Real World Conditions
SELF ASSESSMENT
IMPLEMENTING MANAGEMENT PRINCIPLES

Review Maturity Levels

• Conduct Formal Training on Definitions
• Understand Scoring Levels
• Confirm Knowledge
• Keep Scoring Definitions Handy
SELF ASSESSMENT
IMPLEMENTING MANAGEMENT PRINCIPLES

Maturity level descriptions

1. Familiarize the team with maturity level descriptions

2. When answering questions, select the maturity level that best reflects the status of the organization

3. Seek consensus

4. Assign a midpoint score
SELF ASSESSMENT
IMPLEMENTING MANAGEMENT PRINCIPLES

Initial Self-Assessment Questionnaire

• Provides a first overview of the organization’s maturity.

• There are three questions relating to each management principle.

• Scoring results can assist with prioritization.
SELF ASSESSMENT
IMPLEMENTING MANAGEMENT PRINCIPLES

Comprehensive Self-Assessment Questionnaire

• Requires the proper time and attention

• Must have knowledge of maturity level descriptions, consensus discussions, clarification of meanings and other evaluation concerns

• Active involvement of top management brings recognition and commitment to the importance of this process
SELF ASSESSMENT
IMPLEMENTING MANAGEMENT PRINCIPLES

Validate Results

• Review Results With Process Owners
• Confirm Assigned Maturity Levels
• Begin To Prioritize Areas Needing Action
• Select Appropriate Improvement Tools
SELF ASSESSMENT
IMPLEMENTING MANAGEMENT PRINCIPLES

Select & Deploy Improvement Tools

• Create Knowledge of The Tool
• Create CI Charter (define target, measure of effectiveness, identify team, Time-Frame)
• Keep It S.M.A.R.T. (Specific-Measurable-Accountable-Realistic-Time Bound)
• Regularly Update Top Management
DEFINING MATURITY LEVELS
LEVEL 1

- No or not true, 0% occurrence, the practice is not found or not yet started, not much happening at all.
- No evidence of implementation.
- No systematic approach is evident, no real objectives.
- No measurements, poor or unpredictable results.
- Inadequately addressing customer complaints or needs.
- Perhaps some good ideas but not progressed much beyond the wishful thinking stage.
LEVEL 2

• Marginally true, approximately 25% occurrence, practice is only seen in some areas.
• Implementation evidence available.
• Reactive approach, mainly to correct problems.
• Limited evidence of corrective action approach.
• Limited information or understanding of improvements required, few objectives, some good results available.
• Customer satisfaction reasonably addressed but small progress on satisfaction of other interested parties.
• Some recognition of process approach.
• Occasional reviews or assessments resulting in some improvements and enhancements.
LEVEL 3

• Partially true, approximately 50% occurrence, the practice is commonly found (not in the majority of areas).
• Improvement evidence visible.
• Process-based approach is evident (more proactive than reactive).
• Establishing root causes with some good corrective actions and systematic improvements.
• Information available on objectives and performance against those objectives, some good improvement trends.
• Satisfaction of interested parties generally being addressed.
• Sporadic evidence of clear improvements.
LEVEL 4

• Mostly true, approximately 75% occurrence, the practice is very typical with only some exceptions.
• Interrelated process approach is well established.
• Continual improvement process is well embedded.
• Consistent positive results and sustained improvements.
• Satisfaction of interested parties mostly addressed.
• Proactive where appropriate, corrective action evidence that recurrence has stopped, preventive actions/risk assessments clearly evident.
• Regular and routine reviews with clear improvements and enhancements, but not addressed to their full extent.
• Evidence of sustained improvement over time.
LEVEL 5

• Yes, true everywhere. Near or at 100% occurrence.
• The practice is deployed throughout the organization.
• Recognized as best-in-class, well benchmarked, strongly integrated information and improvement process (from the market end-user and throughout the supply chain).
• Best-in-class on all results readily demonstrated, with sustainable business assured, all interested parties satisfied.
• A successful, agile and innovative learning organization.
• An excellent role model.
• Evidence of sustained improvement over an extended period, for example, at least 3 years.
INITIAL ASSESSMENT
1. Customer focus

<table>
<thead>
<tr>
<th>QM PRINCIPLE</th>
<th>MATURITY LEVEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Has the organization identified the appropriate customer groups or markets for best financial and economic benefit to the organization?</td>
<td></td>
</tr>
<tr>
<td>2. Has the organization fully understood customer and related supply chain needs and expectations, and identified the necessary resources to fulfill these requirements?</td>
<td></td>
</tr>
<tr>
<td>3. Has the organization established measurements for customer satisfaction, and if complaints arise, are they settled fairly and in a timely manner?</td>
<td></td>
</tr>
</tbody>
</table>

**AVERAGE: __________**
1 – CUSTOMER FOCUS

CONTINUOUS IMPROVEMENT CYCLE

INPUT

Results of self-assessment

Continual Improvement Cycle

PLAN

- Market appraisal
  - Customer feedback analysis
  - Customer relationship management (CRM)
  - Market surveys and analysis
  - Strategic planning
  - Strengths, weaknesses, opportunities, threats (SWOT)
  - Customer requirement identification
  - Failure modes and effects analysis (FMEA)
  - Quality function deployment (QFD)
  - Service agreements

DO

- Product realization
  - Advance product quality planning (APQP)
  - Bottleneck management
  - Design of experiment (DOE)
  - Electronic data exchange (EDI)
  - Material requirement planning (MRP)
  - Product part approval process (PPAP)
  - Value management

CHECK

- Assessment
  - Balanced scorecard (BSC)
  - Benchmarking
  - Dashboard
  - Product audit
  - Trend analysis

ACT

- Improvement
  - In accordance with 5.6

OUTPUT

Customer feedback measurement
  - Call centres
  - Customer relationship management (CRM)
  - Customer satisfaction surveys
  - Help desks
  - Response and complaints handing

Achievable benefits
  - Improved revenues
  - Increased competitiveness
  - Improved customer retention and loyalty
  - Improved supply chain performance
  - Reduced time to market
  - Enhanced organizational performance, credibility and sustainability
2. Leadership

<table>
<thead>
<tr>
<th>QM PRINCIPLE</th>
<th>MATURITY LEVEL</th>
</tr>
</thead>
</table>

1. Does top management establish and communicate the direction, policy, plans and any important information relevant to the sustainability of the organization?

2. Does top management establish and communicate effective financial and economic objectives, providing necessary resources and feedback performance information?

3. Does top management create and maintain the necessary environment in which people can become fully involved in achieving the organization's objectives?

*AVERAGE: __________*
2 - LEADERSHIP

Continual Improvement Cycle

**INPUT**

Results of self-assessment

**PLAN**

- Strategic planning
  - Balanced scorecard
  - Business planning
  - Dashboard
  - Organizational development (OD)
  - Risk analysis
  - Self-assessment
  - Strategic planning
  - Strengths, weaknesses, opportunities, threats (SWOT)
  - Succession planning
  - Trend graphs

- Definition of responsibilities and authority
  - Authority matrix
  - Business continuity management (BCM)
  - Competence enhancement and assessment planning

**DO**

- Values, policies, and objectives
  - Management by objectives (MBO)
  - Internal and external communication
  - Incentive and recognition programmes
  - Internet and intranet communications
  - Top management core communication briefings
  - Top management visibility

- Acquisition and resource management
  - Economic value added (EVA)
  - Life cycle costing (LCC)
  - Payback period analysis (PP)

**CHECK**

- Assessment
  - Audits
  - Balanced scorecard
  - Benchmarking to the business excellence model
  - Dashboard
  - Failure modes and effects analysis (FMEA)
  - Management review
  - Return on investment (ROI)
  - Statistical techniques (see ISO/TR 10017)
  - Trend graphs

**ACT**

- Improvement
  - In accordance with 5.6

**OUTPUT**

Achievable benefits

- Improved budgetary performance
- Increased competitiveness
- Improved customer retention and loyalty
- Improved effectiveness of decision making
- Optimized use of available resources
- Heightened employee accountability
- Improved intellectual capital
- Optimized, effective and efficient processes
- Improved supply chain performance
- Enhanced organizational performance, credibility, and sustainability
3. Involvement Of People

<table>
<thead>
<tr>
<th>QM PRINCIPLE</th>
<th>MATURITY LEVEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Are people at all levels recognized as an important resource of the organization that can strongly impact the achievement of financial and economic benefits?</td>
<td></td>
</tr>
<tr>
<td>2. Is full involvement encouraged to create opportunities to improve their competence, knowledge and experience for the overall benefit of the organization?</td>
<td></td>
</tr>
<tr>
<td>3. Are people willing to work collaboratively with other employees, customers, suppliers and other relevant parties?</td>
<td></td>
</tr>
</tbody>
</table>

**AVERAGE: ________**
3 – INVOLVEMENT OF PEOPLE

INPUT
Results of self-assessment

Continual Improvement Cycle

PLAN
- Human resource planning
  - Authority matrix
  - Competence matrix
  - Job design
  - Management by objectives (MBO)
  - Open business culture
  - Organizational development (OD)
  - Responsibility matrix
  - Succession planning
  - Trend building

DO
- Recruit, training and development
  - Mentoring
  - On-the-job training
  - Team building
  - Competence enhancement
  - Professional development
  - Communication
    - Bulletin boards
    - Focus groups
    - Incentive and recognition programmes
    - Internet and intranet communication
    - Management by objectives (MBO)
    - Open book management
    - Suggestion programmes

CHECK
- Assessment
  - Balanced scorecard
  - Benchmarking
  - Dashboard
  - Employee satisfaction survey
  - Performance appraisal
  - Trend analysis

ACT
- Improvement
  - In accordance with 5.6

OUTPUT

Achievable benefits
- reduced cost
- improved customer retention and loyalty
- heightened employee accountability
- improved intellectual capital
- optimized, effective and efficient processes
- improved supply chain performance
- enhanced organizational performance, credibility and sustainability
4. Process Approach

<table>
<thead>
<tr>
<th>QM PRINCIPLE</th>
<th>MATURITY LEVEL</th>
</tr>
</thead>
</table>

1. Are activities, controls, resources and outputs managed in an interrelated manner?
2. Are capabilities of key activities and/or processes understood through measurement and analysis to achieve better financial and economic results?
3. Does top management enable evaluation and/or prioritization of risks and address potential impacts on customers, suppliers and other interested parties?

**AVERAGE:** ________
4 – PROCESS APPROACH

**INPUT**
Results of self-assessment

**Continual Improvement Cycle**

**PLAN**
- Identification of processes
  - Advanced product quality planning (APQP)
  - Balanced scorecard
  - Contingency planning
  - Failure modes and effects analysis (FMEA)
  - Risk analysis
  - Determination of sequence and interaction of activities
    - Bottleneck management
    - Critical path method
    - Flowcharting and process mapping
    - Lean manufacturing processes
    - Value management

**DO**
- Allocation of resources
  - Activities-based costing (ABC)
  - Activities-based management (ABM)
  - Bottleneck analysis
  - Human resource management
  - Life cycle costing (LCC)
  - Payback period analysis (PP)
  - Team building
  - Theory of constraints (TOC)

**CHECK**
- Assessment
  - Balanced scorecard
  - Benchmarking
  - Dashboard
  - Failure modes and effects analysis (FMEA)
  - Pareto analysis
  - Process audit
  - Product part approval process (PPAP)
  - Return on investment (ROI) analysis
  - Trend analysis

**ACT**
- Improvement
  - In accordance with 5.6

**OUTPUT**

**Achievable benefits**
- reduced cost
- increased competitiveness
- optimized use of available resources
- heightened employee accountability
- optimized, effective and efficient processes
- improved supply chain performance
- reduced time to market
- enhanced organizational performance, credibility and sustainability
5. System Approach

<table>
<thead>
<tr>
<th>QM PRINCIPLE</th>
<th>MATURITY LEVEL</th>
</tr>
</thead>
</table>

1. Are interrelated processes identified, understood and managed effectively to provide a system that will enable the realization of financial and economic benefits?
2. Are resource and process capabilities and constraints understood, taking account of process interdependence?
3. Is a systems approach employed to enable the holistic use of specific processes for the benefit of the system?

**AVERAGE: __________**
5 – SYSTEM APPROACH

**INPUT**

- Results of self-assessment

**Continual Improvement Cycle**

**PLAN**

- Strategic planning
  - Balanced scorecard
  - Failure modes and effects analysis (FMEA)
  - Flowcharting
  - Preventive actions
  - Process mapping
  - Self-assessment

- System development
  - Business excellence models (e.g., ISO 9000 family of standards and other MSS)
  - Dashboard
  - Lean manufacturing practices
  - Performance appraisal
  - Statistical process control (SPC)

- Process integration and implementation
  - Business intelligence systems
  - Theory of constraints (TOC)
  - Value management

**DO**

**CHECK**

- Assessment
  - Balanced scorecard
  - Control of nonconformities
  - Corrective actions
  - Cost avoidance failure modes and effects analysis (FMEA)
  - Management review
  - Statistical techniques (see ISO/TR 10017)
  - System audits

**ACT**

- Improvement

  - In accordance with 5.6

**OUTPUT**

**Achievable benefits**

- Optimized use of available resources
- Optimized, effective and efficient processes
- Reduced time to market
- Enhanced organizational performance, credibility and sustainability
6. Continual Improvement

<table>
<thead>
<tr>
<th>QM PRINCIPLE</th>
<th>MATURITY LEVEL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Does top management encourage and support continual improvement in order to achieve objectives for financial and economic benefit?

2. Does the organization have effective measurements and monitoring in place to track and evaluate financial and economic benefits?

3. Does top management recognize and acknowledge the achievement of financial and economic benefits?

**AVERAGE:** ________
6 – CONTINUAL IMPROVEMENT

Sources of opportunities for improvement plans
- Audit results
- Benchmarking outputs
- Brainstorm outputs
- Customer feedback
- External factors
  - regulatory
  - emerging technologies
  - changes in the marketplace
  - environmental/social
- Financial performance
- Human resources
  - appraisal
  - satisfaction feedback
  - suggestions
- Problem solving (corrective action)
- Recommendations for improvement
- Results of failure modes and effects analysis (FMEA)
- Results of business excellence model (BEM)
- Results of balanced scorecard
- Results of management review
- Results of statistical process control (SPC)
- Self-assessment results
- Value of goods and services
- Yield

Process steps
- Action plan development
- Allocation of resources
- Application of all principles and selected tools
- Data analysis
- Identification of action items
- Prioritization
- Reconducting self-assessment and evaluations
- Results evaluation
- Self-assessments
- Set and cascade objectives
- Trend identification

Review for action
- Budget allocations
- Capital expenditure
- Cash flow
- Cost reduction targets
- Performance target levels
- Projected sales
- Strategic plan

Implemented actions = FINANCIAL and ECONOMIC BENEFITS

Achievable benefits
- improved profitability
- increased revenues
- improved budgetary performance
- reduced cost
- improved cash flow
- improved return on investment
7. Factual Approach To Decision Making

<table>
<thead>
<tr>
<th>QM PRINCIPLE</th>
<th>MATURITY LEVEL</th>
</tr>
</thead>
</table>

1. Are decisions effective, based on accurate factual analysis and balanced with intuitive experience where appropriate?

2. Does top management ensure appropriate access to data, information and tools that enable effective analysis to be performed?

3. Does top management ensure decisions are based on achieving optimum value-added benefit, avoiding improvements in one area that produce deterioration in another?

**AVERAGE:** 

---

*Amera-Veritas, Inc.*

*Experts in Quality, Health & Safety Management Systems*
7 – FACTUAL APPROACH TO DECISION MAKING

INPUT
Results of self-assessment

Continual Improvement Cycle

PLAN
- Data collection planning
  - Balanced scorecard
  - Design of experiment (DOE)
  - Enterprise resource planning
  - Material requirements planning (MRP)
  - Return on investment (ROI)
  - Strengths, weaknesses, opportunities, threats (SWOT)
  - Trend analysis
  - Value management
- Authorization and empowerment
  - Competence matrix
  - Failure modes and effects analysis (FMEA)
  - Risk analysis

DO
- Data monitoring and measurement
  - Capability studies
  - Control of nonconformities
  - Dashboard
  - Design of experiment (DOE)
  - Electronic data interchange (EDI)
  - Lean manufacturing
  - Performance appraisal
  - Statistical process control (SPC)

CHECK
- Data analysis and evaluation
  - Audits
  - Benchmarking
  - Customer satisfaction survey and feedback
  - Employee satisfaction/perception survey
  - Market survey analysis
  - Pareto analysis
  - Supplier performance evaluation

ACT
- Improvement
  - In accordance with 5.6

OUTPUT
Achievable benefits
- improved cash flow
- improved return on investment
- improved effectiveness of decision making
- optimized use of available resources
- optimized, effective and efficient processes
- enhanced organizational performance, credibility and sustainability
8. Mutual Beneficial Supplier Relationships

<table>
<thead>
<tr>
<th>QM PRINCIPLE</th>
<th>MATURITY LEVEL</th>
</tr>
</thead>
</table>

1. Do effective processes exist for evaluation, selection and monitoring of suppliers and supply chain partners to ensure overall financial and economic benefits?

2. Does top management ensure development of effective relationships with key suppliers and partners that balance short-term gains with long-term considerations?

3. Is sharing of future plans and feedback encouraged between the organization and its suppliers/supply chain partners to promote and enable mutual benefit?

**AVERAGE: __________**
8 – MUTUAL BENEFICIAL SUPPLIER RELATIONSHIP

INPUT

Results of self-assessment

Continual Improvement Cycle

PLAN

Supplier capabilities evaluation
- Cost/benefit analysis
- Strategic planning
- Strengths, weaknesses, opportunities, threats (SWOT)
- Trend graphs
- Joint strategic planning and key suppliers
- Material requirement planning (MRP)
- Quality function deployment (QFD)
- Risk analysis

DO

Supplier selection
- Supplier ranking list
- Supplier self-assessment
- Supply base management
- Information sharing and acceptance criteria
- Customer relationship management (CRM)
- Electronic data interchange (EDI)
- First article
- Product part approval process (PPAP)
- Purchasing
- Business information systems

CHECK

Review and measure
- Audits
- Benchmarking
- Failure modes and effects analysis (FMEA)
- Statistical techniques (see ISO/TR 10017)
- Supplier performance evaluation
- Trend graphs

ACT

Improvement
- In accordance with 5.6

OUTPUT

Achievable benefits
- reduced cost
- optimized use of available resources
- improved supply chain performance
- reduced time to market
- enhanced organizational performance, credibility and sustainability
AVG SCORES

Leadership

Fact Based Decision Making

Mutual Beneficial Relationships

Continual Improvement

System Approach

Process Approach

Customer Focus

Involvement of People

PRIORITIES?
IMPROVEMENT METHODS & TOOLS
QUESTIONS & ANSWERS?
THANK YOU!

Paul J. Kunder
Tel. (954) 205-3668
Paul.J.Kunder@gmail.com