

Directions

CONTROLLER'S DIVISION

University of Washington

Volume 1, No. 1

December, 1990

WHY QUALITY IMPROVEMENT?

by Pravesh Mehra

The word is out. As we enter the '90's, quality improvement is the single most important strategic issue facing American business, education and government. Across the world, from the US to Europe and the Far East, people are talking about quality improvement, customer satisfaction and employee involvement. These conversations focus on productivity gains, enhanced market image and resulting profits.

Open any business journal today and you're likely to find articles stressing the importance of improving quality and focusing on customers. However, these subjects are not restricted to industrial workers or service industry executives—the basic concepts are universal and can benefit any organization, from a family-owned business to the University of Washington.

Because of its importance to our country's continued competitiveness and economic well-being, the issue of quality improvement is being addressed on the national level. Improving the quality of American products and services has been designated a national priority by President Bush and, in 1988, the Department of Commerce began presenting annual Malcolm Baldrige National Quality Awards to companies exemplifying outstanding quality and service.

The importance of this topic is obvious. What is less clear is exactly what

is meant by 'quality improvement'? Historically, quality was synonymous with being the very best. A Rolls Royce, for example, was considered a quality car; anything less was not considered high quality. The Japanese, however, showed us that even a Toyota could be high quality. How? By producing a car for buyers with only \$10,000 to spend, Toyota meets and even exceeds customer expectations. Customers don't expect a Toyota to have the comfort or performance of a Rolls Royce; Toyota's 'quality' lies in its being the best car for the money. We learned that quality isn't a matter of price, it's a matter of pleasing the customer. This was quite a change in mindset.

The new definition of quality is "meeting or exceeding customer expectations," and it can be applied to all organizations. Every organization has customers—the University's include students, state agencies, grantors and others. If the University understands and then meets or exceeds its customers' expectations, it is considered a 'quality' university.

As you can see, this thinking reflects a strong customer focus. Without customers, organizations would not exist. We need to tailor what we do to customer expectations. Customer's do not care how much time we spend getting approvals, moving documents and correcting mistakes. Unnecessary activities must be identified and eliminated.

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MISSION

The mission of the Controller's Division is to achieve exceptional quality in controlling the financial assets and equipment of the University and providing financial services to the University's community. We will do this in partnership with those we serve to enable the University to accomplish its mission to be a world-leading institution dedicated to the preservation, development and dissemination of knowledge.

VISION

Our vision is to be recognized as the best financial services organization in higher education.

Our management style will constantly strive for quality improvements through employee participation.

Our services will reflect a spirit of cooperation within and outside of the University structure.

Our employees will be recognized as national authorities in their areas of expertise.

IMPROVEMENT TEAMS

Improvement teams, formed to address problems identified by employees, are listed below.

APE

Members: George Daniel, Yee Lam (leader), Dee McDuffie, Julius Rullan, and Wayne Teeias

Mission: "To provide quality service to our customers and reduce the number of telephone calls. By examining procedures, analyzing collected information and identifying the most critical problems, recommendations will be developed." A report will be made to the Executive Improvement Team in first quarter 1991.

OPEN

Members: Karen Agy, Patricia Bradshaw, Sue Trumbull (leader), Kittie Tucker and JoAnn Yoder

Mission: "To optimize the efficiency and effectiveness of invoicing, cash handling and reporting of grants and contracts. The results will include better service to faculty and sponsors, reducing the total processing time and improving the quality of reports." A report will be made to the Executive Team during first quarter 1991.

QUEST

Members: Michael Bryant, Megan Davis, Dirk Greer, Cindy Gregovich, Stas Karnitsky (leader), Patricia McKinnon, Yemane Tesfassion and Judy Webb

Mission: "To recommend changes in the employees' work environment that will improve work space, physical conditions and related morale in the Controller's Division." Recommendations will be presented by to the Executive Improvement Team during first quarter 1990.

RED

Members: Marilei Amurao-Tabile, Glenn Eades, Ann Irish (leader), Pam Luther, Craig Purkey and Jon Vanvick

Mission: "To improve the quality of information provided to our customers through the reporting process. The results will include recommendations for reporting that are useful, clear, timely and cost effective." A report will be made to the Executive Team during first quarter 1991.

CHARGERS

Members: Janet Cantelon, Ann Cronin (leader), Amy Floit, Dick Simmons and Kevin Tilley

Mission: "To improve the system for manually-added charges by focusing on the efficiency and effectiveness of the on-demand loan process. Results will include a reduction in the number of manual adjustments required and the amount of time and errors involved in the process." Recommendations will be presented to the Executive Improvement Team by March 1991.

RECOGNITION

Members: Lilia Bajet, Linda Braziel, Linda Burton (leader), Diane Cooley, Nabil Girgis, Gordon Hammond, Alvin Motis and Thuy Pham

Mission: "To devise a system which will consistently and fairly recognize and reward exemplary performance and exceptional contributions by individuals and teams in the Controller's Division." Presentation to the Executive Improvement Team is scheduled for February 1991.

PAYMASTERS

Members: Joven Able, Gerry Acuesta, Brenda Collins (leader) and Doneen Vandebroe

Mission: "To improve the efficiency and effectiveness of the automated and manual payroll process for the Harborview Medical Center nurses. Results will include minimizing manual checks, reducing errors and streamlining the automated process." Presentation to the Executive Improvement Team is scheduled for February 1991.

TEAM DEPARTMENTS

APE: Accounts Payable
OPEN: Grant & Contract Accounting
QUEST: Multi-departmental
RED: Multi-departmental
CHARGERS: Multi-departmental
RECOGNITION: Multi-departmental
PAYMASTERS: Payroll



EXECUTIVE TEAM UPDATE

By Fred Bailey

The Controller's Division has embarked on a Quality Improvement program to enhance the quality of the services we provide. Quality Improvement, a nationally-recognized system of leadership and management techniques, is based on the concept that employees, who are actually involved in the day-to-day providing of services, are those most qualified to make suggestions for improvements. The program provides a framework within which ideas are considered and acted upon by teams appointed for this purpose. By improving organizational processes and creating a dynamic working environment in which all employees contribute, our customers will enjoy significant improvements in the services we offer.

A kick-off meeting was held in July 1990 to familiarize senior management philosophies, systems and techniques of Quality Improvement and to plan for implementation at all levels of the Controller's Division. In addition to the Executive Team, five pilot process improvement teams were appointed. Two more teams were appointed to address organization-wide concerns identified in an employee survey. As the program grows and matures, the opportunity to serve on teams will be made available to everyone.

At a recent two-day workshop, Executive Team members reviewed objectives and developed a three-year implementation plan and a ninety-day plan of action. One of the major topics of discussion was providing training to all staff members in Quality Improvement techniques. Current plans call for all employees to be trained by the end of March 1991.

I believe the opportunity exists to increase both customer and employee satisfaction utilizing Quality Improvement techniques and I look forward to the challenges we face as we fully implement the program.



Executive Team. Standing, from left: Gary Comfort, Frank Montgomery, Fred Bailey, Susan Ball, Pravesh Mehra, Dennis Higgins and Rich Andrews. Seated, from left: Harlan Patterson, V'ella Warren, Howard Cottrell and Patti Kimpton

WHY QUALITY IMPROVEMENT?

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The 'customer concept' applies to internal as well as external customers. Not everyone in Financial Management provides service directly to external customers—many of our customers are inside the University.

The notion of preventing errors is not new, yet few people or organizations truly practice it. Most institutions are problem driven—they do an outstanding job of correcting errors once they've occurred. Consider the department store clerk who went out of his way to send a suit to a customer who had traveled out of town. The store claimed this was quality; true quality would have had the suit ready before the customer left. As the clerk learned, it is much more expensive to correct problems after they occur than to prevent them from happening in the first place.

When problems occur, in spite of everyone's efforts, they should be viewed as opportunities for improvement. The root cause of the problem should be identified and eliminated to prevent the problem from recurring. This ensures continuous improvement, a key element of quality.

Quality improvement isn't just a collection of concepts, however. People play an important role in implementing these ideas and practices. Often, management does not have the best ideas for satisfying customers, eliminating waste, and making improvements. Employees do, however, since they are closest to the work being done. Consequently, organizations must adopt a new management style which involves employees, encourages teamwork, stresses training, empowers people, and recognizes good performance. It is a new work environment where everyone contributes to the improvement effort—improvement is a daily activity.

Of course this won't happen overnight; cultural change takes time and quality improvement is a never-ending journey. For most companies, the initial changes take two to three years to implement. The keys are to get started, work on pilot projects, and learn how to manage and customize the process to meet customer expectations.

(Pravesh Mehra, Ernst & Young, is consultant to the Controller's Division for the Quality Improvement Program.)

MESSAGE FROM THE EDITOR

By Michael Fero

The Controller's Division consists of over 240 employees who operate out of ten different locations across campus. As a result of this scattering, information about other departments has been difficult to obtain. This newsletter was undertaken to provide a forum for communications between departments and to foster the concept of the Controller's Division as a unified entity.

Directions was selected for the masthead because of responses received on the employee survey conducted last August. When asked to list the weak points of individual departments, respondents listed 'lack of direction' as a common theme. Current plans call for publication on a bi-monthly basis, with the next edition available in February.



Just as Quality Improvement relies on the participation of all employees to provide ideas and suggestions for enhancing the quality of customer service, this newsletter will be bettered by those who would like to contribute. I solicit any reflections you care to share concerning the Quality Improvement program, this newsletter, or whatever. I would like to include a 'Letters to the Editor' section in future editions and will be happy to print any contributions I receive, subject to space limitations. I ask that letters be typewritten, not more than one hundred words long and to me by January 31, 1991.

With your support, this newsletter will become an effective forum for enhancing communications in the Controller's Division.

1990 Service Awards

25 Year

Donald Allen, G&CS
Fred Bailey, Controller's Office
George Rix, GAO

15 Year

Joven Able, Payroll
Jim Heneghan, G&CA
Oly Javidando, G&CA
Maria La Beur, Student Accounts
Maurice Lee, GAO
Benjamin Oliva, GAO
Milagros Querol, GAO
Paul Williams, G&CA
Cora Woo, GAO, Accounts Payable

10 Year

Imogene Cook, Payroll
Lindsay Hendrix, Student Accounts
Susan Jenkins, GAO
Claylia Le Blanc, Student Accounts
Pamela Luther, Student Loans
Felina Romero, GAO, Accounts Payable
Julius Rullan, GAO, Accounts Payable
Yu-Mei Wu, GAO

(G&CS - Grant & Contract Services
GAO - General Accounting Office
G&CA - Grant & Contract Accounting)

FINANCIAL MANAGEMENT AG-80

COOLEY, DIANE L.
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