

# New Directions

Quality Improvement in Financial Management at the University of Washington

Vol 1, No 2

HEADLINES

Summer 2002

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## WSQA—Promoting and Recognizing Quality

*By Kate Riley*

I want to make everyone aware of an outstanding quality resource we have in our state, the Washington State Quality Award Program (WSQA). WSQA reaches both individuals and organizations and was introduced in 1994 to support Governor Locke's quality improvement initiative. The WSQA's primary objectives are to:

- recognize significant achievement
- encourage use of performance data & dashboards
- provide education & training

The first objective is accomplished through the Washington State Quality Award which is based on the Malcolm Baldrige National Quality Award criteria for performance excellence. The criteria are thorough, penetrating and demanding. The Baldrige Award for Education was given for the first time in 2001 to the University of Wisconsin-Stout (<http://www.uwstout.edu/>). In Washington, the WSQA award is given to organizations that have implemented and achieved exceptional quality performance.

How are organizations selected to receive this prestigious award? First, they prepare an application that addresses seven areas of operation. Examiners then read and score the report. Those organizations whose application shows strong promise are given a site visit during which they further demonstrate their approach to quality. Finally, the WSQA Board of Directors reviews all of this material and decides on whether an award is merited. It's a lot of work for a lot of people but the gains for everyone are substantial.

This past year I was selected to be an examiner and was one of a team that reviewed the application submitted by NAVSEA Keyport, WA. This organization installs and maintains computer systems in the Navy's ships and operates the testing site for all of the country's torpedoes. NAVSEA successfully navigated each level of review and was awarded a Leadership Level award by Governor Locke. I affectionately referred to the experience as "intellectual boot camp." But I guess it wasn't so bad, as I am again this year serving as an examiner.

Several colleagues in FM recently attended the "Public Sector Quality Conference" sponsored by WSQA. Ruchi Aggarwal, Peggy Fitzwater, Diane Cooley, Nancy Hurja and Erick Winger attended "Real Results for Real People" which offered an array of workshops to teach the use of quality tools and performance data to make a difference in the work we do. This conference is offered each year in the fall and is open to anyone in FM who would like to attend. Look for it next September.

Finally, WSQA offers a number of workshops to help individuals and organizations prepare for the quality award. Check out WSQA at their web site <http://www.wsqa.net>.

## Musical Dashboards—The Summer Event

*By Chris Malins*

A beautiful but windy afternoon played host to this year's summer event. The 2002 event took place on September 9th in the Physics courtyard. Members of Financial Management from far and wide came together to socialize, listen to music and look at each department's QI dashboard. While staff browsed and enjoyed the day, busy EIT members served fresh fruit and beverages and the always helpful RQT team assisted with the set up.

The crowd was entertained by two musical performances by Margo Murphy, Bill Christensen, Mary Jo Hershly and Chris Malins. The band performed a four song set that included such favorites as "Stepstone," "This Land is Your Land" and "City of New Orleans." The group was accompanied by the immense talents of Greg Canote (yes, THE Greg Canote) on the fiddle.

Prizes were also given out to lucky Fin Man staffers. Each half hour, a University Book Store gift certificate was awarded to a person whose name was drawn randomly. To assure fairness, three people participated in



each drawing. Congratulations to the winners!

Although pleasure was the business of the day, people did find time to review each department's dashboard. The poster board displays showing the progress each office has made in identifying key processes & measures were first rolled out at the Leaders Event in June, but this was the first time that the entire division had a chance to see them.

Each dashboard laid out the challenges faced in developing measures, ways that the challenges have been met and the future plans for keeping each dashboard updated and constantly improving.

With the perfect blend of food, music and conversation, no one left the Summer Event unhappy.

## Procurement Card Team Marks Two-Year Achievements

*by Financial Services Staff*

The Procurement Card is a payment option that has simplified transactions for many University of Washington departments. It is similar to a credit card but has security provisions specifically designed for university needs. Cardholders use the Procurement Card to acquire non-capitalized goods, and department reconcilers track purchase activity, a system made possible through PAS and an external interface provided by company J.P. Morgan Chase. On the two-year anniversary of its administrator, David Wright, Directions looks at the successes and challenges of this program to date.

When David first came to Financial Management, four hundred cardholders were using the Procurement option on a limited basis. Today the number of users has grown to approximately eighteen hundred. The types of purchases that can be made with the Procurement Card have also become more inclusive. Though state purchasing guidelines require certain checks and balances, David stresses that the program follows these guidelines as efficiently as possible. The Procurement Team—David and his new assistant, Donna Andreason—has built a partnership with the Purchasing Department which facilitates this process. Teamwork

within Financial Management has also been of great importance. David credits the "wonderful long-range insights" of Bill Tolbert and the "support through difficult transitions" provided by Ann Anderson as invaluable to the program's success.

The Procurement Card has grown over the past two years from an experimental process to a solid program that was recently confirmed by an internal audit. The procurement team's goals, according to David, are to transition from a patchwork to comprehensive account supervision. David and Donna teach classes and work with process partners to make continual improvements to the program, but they also allot a significant amount of their time towards one-to-one contact with campus customers. From behind the scenes, the Procurement Card team follows usage to monitor the security of the system, making sure that at-risk purchases are legitimate and ensuring that departments complete their reconciliation in a timely manner. They also gauge the volume of usage, which David claims may indicate how well the Procurement Card suits the department's needs or may suggest when more training is needed. Fifty percent of departments now have a Procurement Card at their use. In the next few years, Financial Management anticipates that around 80% will be using the card. And the program continues to grow and change.

## A Short History of Quality from 10,000 BC to the Present Day

by R.Q. Teasdale

As we practice Quality in our daily work lives in Financial Management, it's easy to forget the significant impact that Quality has had on human history. This article will highlight a few important dates and events in the history of Quality.

10,000 BC, A deeply wooded area near a river. The invention of Quality is largely attributed to a female hunter-gatherer named Tiffany. As the story goes, Tiffany was watching her mate prepare a satchel to carry food. After a moment of thought, Tiffany showed him a more efficient way to construct the satchel to maximize its carrying capacity. Tiffany then scratched a mission statement into a stone wall and made a loud grunting sound that signified process improvement.



12 AD, Jerusalem, First Quality Champion, Caleb of Khartoum. Caleb was a basket weaver by trade, but had a real soft spot for quality initiatives. It was this deep interest in making things better that attracted a group of goat herders to Caleb. These herders were working on a process improvement for weaving goat wool. Caleb was engaged to work with this group to resolve conflicts, create consensus and keep the goats out of the meeting area. His compensation: twelve shekels per week, or roughly \$40,000 per year in today's dollars.



565 AD, Rome, Invention of the scatter diagram. Some believe that the scatter diagram was invented in ancient Rome when a servant of the Emperor Augustus called out to a group of street vendors to "scatter" because the emperor was approaching. When they did so,



according to legend, the servant noticed the pattern of the running vendors and immediately thought of applying this pattern to some data he had gathered and of plotting this data using the Cartesian Coordinate System. This story is in serious dispute among some scholars due to the fact the Cartesian Coordinate System (named after Rene Descartes) was not invented for another 1,000 years.

1492 AD, Spain – First QI Team. Before Queen Isabella engaged Columbus to set sail, the Spanish Royal family formed a quality improvement team to plan the trip. The team was comprised of the Queen, a few Princes and Princesses, and a facilitator. The team only functioned for a short time because when the facilitator suggested that the Queen needed to stick to the agenda, he was be-headed.



1849 AD, Milwaukee, Invention of Customer Service. No one ever smiled at each other before 1849 largely because it was tough to find a good dentist. Without smiling, there was no human warmth, which directly caused the surly and rude attitudes pervasive in the early 19th century. Shirley LaVoin, a bartender from the south side, smiled constantly, due to a rare muscle disorder. This smiling had a dramatic impact on business and soon people came from all over Milwaukee to see Shirley's smile. It wasn't long before entrepreneurs got the hint and began smiling and saying nice things to their customers. Thus customer service was born. As for Shirley, her facial muscles eventually relaxed and she was fired from the bar for being churlish.



1912 AD, Somewhere in the Atlantic, First reference to a Type 3 problem. As the Titanic was sinking, someone was heard to say: "I don't think there's a bloody thing we can do about this."





1956 AD, Hollywood, First television program-created using Quality Principals. Those Wacky Witches of Salem, which aired in the fall of 1956, was developed and produced entirely using Quality principals.



The writers and production crew formed teams, brainstormed problems, and developed a mission statement. When jokes weren't funny enough, gap analysis was used to quantify the humor and bring it to the desirable level. Unfortunately, the show was cancelled after only three episodes and Hollywood has steadfastly refused to put Quality into its programming since.

1990 AD, Seattle, UW Financial Management adopts Quality within the Division. Financial Management, through the Leadership of V'Ella Warren, was one of the first UW departments to adopt the Quality framework. Like Tiffany from 10,000 BC, the Pioneers Team and the others that followed began by grunting and scratching mission statements onto walls. This all changed dramatically a few years later when the division bought pens and flip-charts. The light of Quality was lit in Fin Man in 1990, today it still burns bright.



*Dr. Teasdale received his doctorate in Television Viewing and Cellular Biology from the College of Universal Life at P.O. Box 3763, Loma Vista, CA.*

## INNOVATIONS

### GCA Gets a GRIP

*by Denise Lim*

After receiving final cost estimates from Computing and Communications and a "go / no-go" decision from V'Ella, GCA's Grant Receivables Implementation Project Team (GRIP) hope to kick off their much anticipated project to implement a new receivables system. If all goes according to plan, the GRIP team will have their kick off meeting in early November.

Initial project preparation includes three specific activities: 1) hiring temporary staff to substitute for the project team members during the implementation, 2) finding space for the project team, and 3) performing a comprehensive planning and analysis of the receivable process.

For the next twelve months, the four GRIP team members will be working full time on this project. Thankfully, we were able to hire temporary assistance for these positions, which were open to internal candidates within Financial Management. We subsequently received numerous applications and the positions were filled within weeks! The new staff members started in GCA in early September and have been busy getting trained in their new positions.

A more difficult challenge we encountered was finding space for the project team. Space is tight in GCA and we thus had to come up with a creative solution. There were a handful of options, but none were ideal.

Then, Student Fiscal Services (SFS) offered up a room up on the fifth floor of Schmitz which proved to be perfect for the project. The project team has moved in and is extremely appreciative for SFS' kind offer of their space.

The team's current task is to complete a planning phase for the new system. In order to do an efficient and thorough planning, we invited Kate Riley to lead us through a rapid planning workshop, which is a three-day event that documents the "as-is" process, as well as identifies an ideal workflow. Attendees included the project team, an advisory group consisting of various GCA staff members, representatives from Computing and Communications, and consultants from the vendor, J.D. Edwards.

As with all new teams, there were potential challenges that could have hindered the progress of our project team. However, by sharing resources (personnel and space) and knowledge (Kate's experience in rapid planning workshops), the project team has gotten off to an excellent start and is looking forward to the kick off in November!

### GRIP Team

Denise Lim, Team Leader  
Marisa Honig  
Kris Jaeger  
Hoang Ong  
Kate Riley, Facilitator

## New Warehouse to Increase Capacity, Accuracy of Data

by Cathy Billings

The Treasury Office has been working on an information systems project that will improve our ability to effectively and efficiently deliver and process data that is crucial to one of our primary responsibilities: reporting on the performance of the University's endowment and invested operating funds.

To monitor and report on the University's investments we currently use a complicated set of linked Excel spreadsheets—developed years ago when the funds managed were much smaller and the investment strategy less complex—including one “Master” that contains historical data all the way back to 1989. This is an enormous amount of data, and with every passing month when a new batch of data is loaded, the Master becomes more fragile and our data more prone to being lost. The size of the file also makes it very slow to work with.

Our search for a solution led us to the data warehousing concept. A data warehouse is a relational database management system (RD-BMS) that stores data permanently—in a data warehouse, data is never overwritten. “Relational” means that every piece of data has its place in relation to the other pieces of data—these relationships are the key to the system and make it possible to extract data to use for analysis and reporting as well as allowing easy changes to the data.

In September of 2001 the Treasury Office began to build its own data warehouse. We have gone through standard data warehouse project phases, including identifying and

documenting our business requirements, determining the relationships between pieces of data and designing the database, building the database and the automated data loads, testing the data to make sure it is good, and selecting a user interface that will allow us to do analysis and reporting on the data stored in the warehouse. In all phases, the staff works closely with consultants who are responsible for the technical aspects of the project.

The Treasury Data Warehouse (DW) addresses all the issues we have with the current system:

- DW can securely accommodate huge amounts of data.
- 95% of data is loaded into the DW automatically, taking virtually no staff time and minimizing the potential for human error.
- Making changes to the structure of the data is easy and risk free: the data warehouse is designed to be flexible and grow as we need it to grow.

We expect that the data warehouse will have many other benefits that have yet to be explored, but it has clearly improved our existing process. Our work with data is more productive, which makes our analysis and reports better, which in turn provides senior management with good information upon which to base decisions.

This kind of project cannot be successful without the participation of staff in various roles: Susan Ball & Judy Peterson (Senior Associate Treasurers) are project sponsors, Garth Reistad (Associate Treasurer), Laura Lai (Financial Reporting Analyst), and Randy Lewis (Alternative Assets Operations & Reporting) are subject experts and also the primary users of the data. Cathy Billings is the project manager.



## ATA Team—A Cross-Departmental Success

by Kristie Dunne

The ATA Team is a cross-departmental team formed by Purchasing and Payables Administration. The objective of this team is to reduce the number of invoices in discrepancy and increase the number of invoices that can be paid upon first submission.

In a perfect situation, all invoices submitted to Payables Administration for payment would be able to be processed with no problems. When this does not happen, the system generates an 'Authority-to-Adjust' (ATA). The ATA will go to the buyer assigned on the purchase order for resolution of the problem listed on the ATA. The problems vary but the main issues we encounter are that the price on the invoice does not agree to the terms of the order or that the department needs to increase the encumbrance amount on the order because there is no longer enough money.

The approach the ATA Team has taken to achieve its objectives is threefold:

1. Data-based
2. Training-based
3. Intervention-based

ATA Team has created a measure of 'invoices in discrepancy' that can be effectively used by both Purchasing and Payables Administration. In addition to this measure, they are using data to better understand the root causes of 'invoices in discrepancy.'

The training-based aspect is to develop and provide training for both Payables and Purchasing employees so they can better understand the process.

In the intervention-based method, data is used with campus departments to identify more efficient and effective methods for the Purchasing and Payables process. They also work with internal employees in Purchasing and Payables Administration to use data to identify any training needs.

Note: The ATA Team has completed its measurements and developed statistics. At this point, however, they have not presented this information to their sponsors, so we do not have the actual numbers!

### ATA Team

Kate Riley, (Team Leader) Financial Management  
Donna Andreason, Financial Management  
Pramilla Chand, Payables Administration  
Claudia Christensen, Purchasing  
Carla Helm, Purchasing  
Karen Long, Payables Administration  
Tom Phillips, Payables Administration

### Sponsors

Ann Anderson, Financial Services  
Kerry Kahl, Purchasing  
Sandra Lier, Purchasing  
V'Ella Warren, Financial Management

## KUDOS

### Kudos

Compiled by Sharon Langlois

**Ruchi Aggarwal**, GCA: You have been a delight to work with while we are trying to work through some long standing issues with the Research Media Center. *Elizabeth Zickler, Administrator, Medical Service, HMC.*

**John Cady**, GCA: You are always very quick to respond and always very helpful. *Myrna Izidor, Allergy & Infectious Diseases.*

**Miriam Garvey** and **Mark Landis**, SFS: I want to tell you how impressed with their willingness to help with the training in SDB. Dialogue is essential for reducing frustration in the occasional user and from the moment we walked through the door they epitomized customer service in the fullest sense of the word. It was a wonderful experience, thank you. *Jeri Staley-Earnst, Administrative Director, BioE/UWEB*

**Mary Girgis**, GCA: You have been consistently processing advance requests the day of receipt or the day after. This dependability has greatly enhanced our ability to manage payroll in support of our projects. I.

**Yee Lam**, Payroll: I appreciate all your help in arranging my tax exemption. *Mark Fry, Pathology.*

**Sharon Langlois**, Payroll: Thank you for helping me resolve this matter long distance from Alaska. It is great to be paid again, and have my overpayment paid off in a pretty painless manner. *Brian Zwiebel, M.S. Student, Social Sciences.*

**Sharon Langlois** and **Anna Mirza**, Payroll: Thank you both so much for your help, we pulled the direct deposit in the nick of time, saving us all time and rework. *Mark Ondrake, Otolaryngology.*

**Amy Liu**, Payables Administration: I have been fortunate to be assigned to work with Amy, and I appreciate the opportunity to express my appreciation and to let you know how much I enjoy working with her. *Maria Virgne, Higher Ed Collections, Dell Computer*

**Pam Luther**, SFS: Thank you so much for all your help and diligence throughout my "consolidation ordeal." If more people in Schmitz Hall had been like you I never would have left UW. Thank you. *Stephanie Davies, a very satisfied customer.*

**Anna Mirza**, Payroll: Thank you very much for your customer service support to expedite the check. Good customer service helps to reduce the frustration for the employee when their check is missing and there are no apparent or clear answers to the problem. *Jenny Miller, Fiscal Manager Medicine/Cardiology.*

**Margo Murphy**, GCA: You are consistently a pleasure to work with. Thank you for your reply. *Donald Kunz, Program Coordinator, Division of Oncology.*

**Thanh Nguyen**, Payables Administration: Thank you once again for your ongoing exemplary customer service effort and attitude. Your effectiveness in processing the 2002 vehicle purchases resulted in direct savings of approximately \$10,000 for UW. *David Carr, Manager, Motor Pool Operations.*

**Cece Redila**, Payables Administration: I want to express my great satisfaction in our dealings. She is prompt, accurate, professional and pleasant as can be to deal with. If you'd like to tuck this little message into her personnel file, that would be great. *David Fenner, Assistant Vice Provost for International Education, Office of International Programs & Exchanges.*

**Payables Administration**: The staff is very helpful and made the process as smooth as it could possible for us, and we are must appreciative and would like to thank them all and tell them how grateful we are. *Mary Melanson, Director of Finance & Administration, Dean's Office, Arts & Sciences.*

**Ping Tan**, Payroll: Thanks very much for the information and your expert assistance in these changing times. *Julie Van Tosh, Administrative Assistant, Division of Cardiology.*

**The new Directions**: Good format, easy to use and interesting to read, thanks! *Richard Chapman, Associate Vice President For Capital Projects, Capital Projects Office.*

**The new Directions**: Very nice. Congratulations and thanks for continuing to share with us. *Harlan Patterson, Vice Provost for Planning and Budgeting, Planning and Budgeting.*

## CALENDAR

### EDP Workshop

November 20, 2002 1:30-3:30 #170 Schmitz Hall  
December 4, 2002 1:30-3:30 #170 Schmitz Hall

### English Skills

September 30/December 10, 2002  
January 6/March 13, 2003  
March 31/June 5, 2003

### FM Leaders Quarterly Meeting & Training

#### Coaching/mentoring For FM Leaders

October 30, 2002 1:00-4:30 #142 Gerberding Hall  
November 7, 2002 1:00-4:30 #142 Gerberding Hall

#### Fraud For Fm Leaders

November 22, 2002 9:00-11:00, 142 Gerberding Hall

#### Facilitator Training

February 6/7, 2003 8:30 am-4:30, 142 Gerberding Hall

### MBTI Feedback Session

January 15, 2003 1:30-3:00, 142 Gerberding Hall

### Process improvement

March , 2003 8:30-4:30 ECC ? Rm.  
Date to be set at a later time.

### QI Awareness

February 12, 2003 12:30-4:30 ECC Black Room  
February 13, 2003 8:30-12:30 ECC Black Room

*New Directions* is published periodically by the Office of Financial Management at the University of Washington.

Please visit the web site at:

[www.washington.edu/admin/finmgmt/qi/directions/july02/](http://www.washington.edu/admin/finmgmt/qi/directions/july02/)  
for the on-line version of this newsletter.