Investing in
Excellence:
A wise choice

There’s no such thing as a sure bet, but mounting evidence shows that investing in excellence pays off. High-performance organizations see excellence as a way to boost customer satisfaction, employee productivity, profitability and shareholder value, while cutting costs and reducing waste.

Each year, the National Quality Institute (NQI) recognizes outstanding performers in the fields of quality and healthy workplaces with the Canada Awards for Excellence (CAE). On a collective basis, share prices of publicly traded CAE winners have outperformed common stock market indexes. From 1990 to 2003, CAE winners delivered a 129% increase in share value, compared with 47% for the TSE 300, 52% for S&P and 77% for the DJIA.

Excellence may not guarantee profitability and share value, but as indicators go, excellence lives up to its name.
THE COMPETITIVE EDGE
For companies and for Canada, quality makes a difference

“AT THE GLOBAL LEVEL, CANADIAN CORPORATIONS FACE THE CONTINUING CHALLENGE OF INCREASING PRODUCTIVITY TO REMAIN COMPETITIVE. EXCELLENCE IS THE WAY TO COMPETE GLOBALLY.”

So says Cameron Hyde, senior vice-president and general manager of Xerox North American Agent Operations and chairman of NQI. Formerly president of Xerox Canada, he led an organization that was an early adopter of quality management principles and winner of the CAE Quality award in 1989.

In 2000, when the company was in crisis, making a renewed commitment to excellence helped Xerox turn a corner and get back on track. It implemented a management model based on total quality concepts and embarked on a new quality path with something called the lean six sigma program. Securing customer loyalty became a priority.

“We’ve nurtured our own workplace so that our employees feel challenged and empowered in their work,” says Hyde, “because engaged employees do a much better job at satisfying customers and helping each other.”

WHERE ARE THEY NOW?
How winning organizations sustain excellence

In the 20 years since the first Canada Award for Excellence (CAE) was conferred, more than 200 organizations have been recognized. Among them are some of Canada’s renowned corporate giants as well as schools, municipal governments, hospitals and many smaller enterprises that have gone on to bigger and better things.

Research in Motion (RIM)
FINDING NEW MARKETS WITH BREAKTHROUGH INNOVATION

Back in 1997, when RIM earned the CAE award for innovation, its best-known product—the Blackberry wireless platform—was yet to hit the market. There were fewer than 200 employees and the company was preparing to go public.

“The award was a great cause of celebration,” recalls Jim Balsillie, chairman and co-CEO. “To be ranked among some of Canada’s most respected organizations gave us a legitimacy we could leverage. It affirmed that we were doing the right things.”

Today, RIM is a leading designer, manufacturer and marketer of wireless solutions for the worldwide mobile communications market. Employing almost 2,000 people, it operates offices in North America, Europe and the Asia Pacific. The Blackberry, introduced in 1999, is now found in the hands of a million subscribers served by 50 networks in over 30 countries.

RIM sustains excellence by paying close attention to the metrics of its business and fostering a culture of innovation. “I maintain that the biggest cost to a company is losing good people, so we give our people authority, resources and a share in the rewards,” says Balsillie. “We aim high. We share information. And we don’t get stuck in the status quo.”

Polywheels Manufacturing Ltd.
STICKING TO CORE VALUES

A manufacturer of compression molded parts, Polywheels has seen its strategies, operating plans and technical competencies shift over the years, but never its values or vision.

An obsession with quality earned Polywheels a CAE certificate of merit in 1996. From its inception, Polywheels has turned in average annual growth rates of 26%, despite stiffening competition in its primary automotive market. Absenteeism has been cut from double digits to about 2%, employee grievances are minimal, and turnover is virtually nil. Meanwhile, the company maintains a healthy bottom line, which sits well with creditors.
How does Polywheels do it? Part of the answer lies in a single-page overview of the business that keeps everyone focused on what counts. The company relies on employee focus groups to identify issues and ways to improve. Twice voted one of Canada’s 50 best managed private companies, Polywheels skillfully employs a diverse workforce. Supervisors routinely review employee satisfaction scores and seek ways to raise them.

David Pike, director of human resources, says, “On virtually any level, no question, we can link quality with our business performance.”

Linda Lundström
ENGAGING PEOPLE IN EXCELLENT PROCESSES
Believing relationships are everything, clothing designer Linda Lundström founded her company on long-term, mutually advantageous partnerships with suppliers, retail customers, employees and the community. That principle not only helped her win the CAE for entrepreneurship in 1991, but enabled her to survive tough times from 1998 to 2001.

Today, with financial assistance through a federal government program, she has restructured the way her company produces garments. By converting to lean manufacturing, the company has increased throughput, slashed work in progress, improved cash flow and brought offshore manufacturing back to Canada.

The key is employee involvement and precision work scheduling. “All employees—cutters, sewers, pressers—know our target output at the start of each day,” she explains. “Partially sewn garments sitting in a bin don’t create value. So when necessary, we can cut at 9:00, finish at 10:00 and ship the item by 10:15.”

These days, Lundström has her business where she envisioned it 30 years ago. She’s learned plenty since she achieved the CAE award. “At the time, I really didn’t feel I deserved such a great honour,” Lundström says. But she knows it now. Maybe that’s what continuous improvement is all about.

A FRAMEWORK FOR RESULTS
NQI members chart their paths to excellence
According to NQI members, excellence is best achieved through a strategic approach and application of quality and healthy workplace principles, practices and certification. By using NQI’s frameworks for excellence, nothing is overlooked.

AECL
In some businesses, the margin for error is zero. Take AECL, for example, a global nuclear technology and engineering company that operates National Nuclear Laboratories and designs, develops and markets Candu nuclear power plants. It must meet national and international engineering and quality assurance standards, as well as various federal and provincial laws and regulations.

To achieve peak performance, “meeting those requirements alone won’t get you there,” says Dr. Aly M. Mortada Aly, chief quality officer. “In a competitive environment, customers come first and AECL works hard to maintain their continual satisfaction.” AECL must also be in a position to assure the public that the company complies with all legal requirements, maintains excellent safety and environmental practices and, as a Crown corporation, is spending taxpayers’ money responsibly.

“The NQI model is extremely consistent with what we espouse,” says Aly. “We use its principles as a compass, to ask ourselves questions, identify gaps and implement corrective actions. You simply can’t stop improving.”
NuComm International

“Awards are great, but our main goal is to engage in the process of excellence,” says Réal Bergevin, president and co-founder of NuComm International, a leading North American provider of outsourced contact centre services. Named one of Canada’s 50 best managed companies three years in a row, NuComm has been growing at a stunning annual rate of more than 50%. Its 2,500 employees staff seven call centres in Ontario.

In an industry not known for excellence, NuComm has planted a stake in the high ground, building quality through consistency. While NuComm is certified to the ISO 9001 international quality management standard, Bergevin considers the NQI framework a more complete business scorecard, with a focus on client and employee satisfaction.

Says Bergevin: “We want to be known as the very best in the business.”

DaimlerChrysler Canada

Excellence is not new to DaimlerChrysler Canada Inc. Its Windsor plant was awarded a CAE for quality in 1991.

“We want to attract, develop and retain highly motivated employees,” says Ken Roughton, the company’s manager of health care benefits. To him, that means taking an active interest in their health and well-being.

For years, the company and the Canadian Auto Workers union have pursued a health and safety strategy. Two years ago, the company decided to partner with the Windsor-Essex County Health Unit to provide on-site wellness programs and information resources. The program reaches 45,000 employees, retirees and their dependents, or one-eighth of the county’s residents. Other public health units have since come aboard to support the program in other DaimlerChrysler locations.

Preliminary results show that the wellness investment is affecting behaviour and saving on benefit costs. For example, there was a 12% drop in antibiotic expenses following an awareness program.

“Initially, it was a leap of faith but in partnership with the CAW we knew it was the right thing to do,” says Roughton.

PROGRESSIVE EXCELLENCE

Reaching excellence, one step at a time

Thanks to the NQI Progressive Excellence Program (NQI-PEP), every organization can make strides towards excellence and ultimately apply for a Canada Award for Excellence.

The Region of Peel, for example, became the first government in the country to achieve PEP Level 3. It reached its first milestone in 2000 when one of its programs, TransHelp, was recognized by NQI with a PEP Level 2. In 2002, the Region as a whole achieved Level 2.

Each year, Peel has introduced key improvements to the way it does business. “Everyone—whether they process bills, drive a truck or provide seniors’ care—has to feel connected with our business plans,” says chief administrative officer Roger Maloney. “In public service, it’s not about shareholder value but about building competence and delivering great service.”

CANADA AWARDS FOR EXCELLENCE

Gold, silver and bronze recognition in:

• Quality Awards for public sector, private sector and small business
• Healthy Workplace Awards for public sector, private sector and small organizations
• Education Excellence Awards

Try NQI-PEP! It’s a goal-driven, practical approach to reinforce and sustain continuous improvement. Gain feedback and celebrate incremental successes!

MARK YOUR CALENDAR

The 2004 Canada Awards Gala
20th Anniversary Celebration
Metro Toronto Convention Centre
October 19, 2004

Get all the details at www.nqi.ca today. Or call (416) 251-7600 ext. 231 or 1-800-263-9648.