

It's Annual Audit Time!

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Do you run an annual audit on your suggestion system or continuous improvement process? It is a good way to review how the system is performing. It is also useful to identify where we are at and any potential changes that could be made to the system. Since we have found that for an employee involvement process to be effective - it must evolve with the organization.

Below are the elements we have researched that could be included in an annual audit, or you may wish to review our "Checklist for Success" self-scoring survey which is a more comprehensive list of key program elements (contact us for a copy).

You could run the audit yourself, or an outside company could do the job for you. Ideally you want an objective third party, so if you run the audit yourself, you may want someone outside your area to perform the task. It is often advantageous and cost effective to have an outside firm handle the activities of running focus groups, benchmarking, or reviewing results. Our staff at Total Quality Systems has the experience to support you in those aspects of the audit or we can perform the entire audit for you.

- 1) Annual focus group meetings with key stakeholders in the process. This should include participants, evaluators/assessors as well as management. It is useful to also include a group of people that never have participated in the system.
- 2) Benchmark suggestion systems in other organizations or divisions within your organization. Networking with other trade association members (e.g., EIA or Ideas.UK) and using their annual statistics is a good start. Site visits or in-depth phone interviews may be required to get all the required information. Try to identify what works and doesn't work with their process and see what bits could be positively applied to your process. How do we compare against these other programs for key statistics we measure?
- 3) Annual audit of program activity to insure accuracy of statistics, savings and awards. Typically a random review of part of the data would carefully review savings, costs and other statistics. You may also want to infrequently audit data for a specific time period (e.g., one quarter) where key parameters are more carefully measured than on a day-to-day basis where there isn't the time to do the extra review work.
- 4) Separate audit of any awards payments may be required, especially if there are tax implications with the awards given out (certain types of awards may require tax to be applied).
- 5) Annual report of key statistics to management. Typically this would include: participation, savings, return on investment, processing times as well as other key measures defined by management. They should link with other organizational goals and strategies as well. Participation statistics normally count each person once, regardless of how many ideas they have turned in. Savings calculations should clearly identify what cost elements are included. Further discussions of what are appropriate statistics are not within the scope of this article but are important to clearly identify and accurately report to management. Ideally we should also be providing management monthly status reports (or at least quarterly) on key system activities.
- 6) Where do we go from here? The audit may identify some areas that require improvement. Creating a manageable list of items to work on is a good starting point. Further networking with organizations may provide insight into some tenable solutions. The audit will also identify what you are doing well. Make sure to publicize and celebrate those successes!