



## Why Quality?

?? How many experienced dissatisfaction with a purchase <=3 months?

Each represents a business needing focus on quality.

?? How many of you have experienced business growth in the last 3 years?

?? How many of you are concerned that as your business grows, your quality may slip?

Henry Ford knew how to make Quality Automobiles. Ford Motor Company didn't.

## Quality must be Managed

Ref: new CEO - first move was to hire Quality Manager.

### 1. Definition of 'Quality'

"A good speech"

"A good grade of lumber"

"A precision engineered automobile"

"Quality time spent with children"

"Qualifications of Job Applicant"

"She's a good child"

Wiki: "Being of good worth"

### 2. Quality in business

Generally used phrases:

"Quality Control"

Processes in business to eliminate problems responsible for defects.

"Quality Assurance"

Broad focus on the entire quality system from suppliers to end users.

"Quality managers"

People

"Quality Programs"

Systems

"Total Quality Management"

Overview

### 3. History of quality management

1950

**Dr. W. Edwards Deming;** US Statistician engineer

invited by Japanese union of Scientists & Engineers to consult SPC

SPC Statistical Process Control

philosophy: improving quality (/wiki/Quality\_(business)) will reduce expenses while increasing productivity (/wiki/Productivity\_(economics)) and market share.

results:

A number of Japanese manufacturers applied his techniques widely and experienced theretofore unheard-of levels of quality and productivity. The improved quality combined with the lowered cost created new international demand for Japanese products.

**1980**

NBC Documentary, "**If Japan can, why can't we?**"

Ford Motor Co. losing market share, hires Deming to consult

Deming; 'Management Actions responsible for 85% of all problems in developing better cars.

Introduced Quality Culture to FMC

**1986** Ford is most profitable US auto manufacturer

### **Deming System of Profound Knowledge**

1. **System** View business as an organism. Understand the system and how it works.
2. **Variation** Measure the variations in results, driven by variations in input.
3. **Knowledge** Maintain information about system.
4. **Psychology** Recognize the individual in the process. Encourage excellence.

### **Deming's 14 points**

1 - Create constancy of purpose toward improvement of product and service, with the aim to become competitive and stay in business, and to provide jobs.

2 - Adopt the new philosophy. We are in a new economic age. Western management must awaken to the challenge, must learn their responsibilities, and take on leadership for change.

3 - Cease dependence on inspection to achieve quality.

4 - End the practice of awarding business on the basis of price tag. Minimize total cost. Move towards a long-term supplier relationship of loyalty and trust.

5 - Improve constantly and forever the system of production and service, to improve quality and productivity, and thus constantly decrease cost.

6 - Institute training on the job.

7- Institute leadership. The aim of supervision should be to help people and machines and gadgets to do a better job.

8 - Drive out fear in the workplace.

9 - Break down barriers between departments.

10- Eliminate slogans, exhortations, and targets asking for new levels of productivity.

11 - a. Eliminate (quotas) on the factory floor. Substitute leadership. b. Eliminate numerical goals. Substitute workmanship.

12 -Remove barriers to pride of workmanship.

13 - Institute a vigorous program of education and self-improvement.

14 - Put everyone in the company to work to accomplish the transformation.

## Summary

How can all this be of use to a small proprietor-based business?

### Suggestions:

- Establish business processes (Imaginary departments)
- Identify customers:
  - Internal customers
  - External customers
  - End user customers
- Establish methods of measuring business processes with a goal toward creating value.
- Review measurements on a regular basis. Track progress. Measure everything!
- Engage in constant improvement, to continually review and renew processes.
- **Delight the customer at every opportunity.**



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