

Quality is Free – if you understand it

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Why is it necessary for well-educated successful managers and executives to gather in a conference setting and study about quality management? No one I ever met was against quality, and most of the management people I meet think they are, in fact, managing it. If that were true we would be living in a world bathed in prevention, rather than one continually seeking cures and corrective action. We would be working at finding the root causes of diseases like cancer, for instance, instead of developing short-term corrective action. We would be able to open the boxes and envelopes we receive from our suppliers knowing that inside was a widget, or software, or a contract that was precisely what we had agreed to receive. And it would have come on time with the correct price.

Organizations run on transactions and relationships. Millions of transactions occur in a normal company every day. Directions are given; forms are filled out; packages are prepared and delivered; money is counted; papers are written upon. Each individual number in each group of numbers is enough to alter the fate of the transaction; each component in an assembly offers the opportunity to make a failed service or product. Relationships with employees, suppliers, and customers must be successful. All this is necessary if the organization itself is to be successful.

Now all this makes sense; we nod about it. But more than that it is the key to profitability. The price of nonconformance is around 30% of the revenue of an organization. One of every three dollars is flat out wasted. And exactly who is responsible for this waste? The Quality department? The regulatory agencies? The competition? Who is the villain?

Us, senior management, that's who. It is we who run things that keep the world from being the way we would like it to be. Our personal philosophy of management, particularly when it comes to quality, determines the result we are going to get.

To change our ways we have to understand quality management to the extent that it can be internalized as a personal philosophy. That is what we are going to discuss today. But first we should have some background.

Quality as a subject brings about confusion because it actually has many operating parts, but conventional wisdom tosses them all in together. Thus, managers usually have depressing experiences when they try to install quality. They are led to believe that quality management, quality assurance, quality control, statistical process control, and appraisal are all the same thing. As Mark Twain wrote: "they are as alike as lightning and lightning bug."

QUALITY MANAGEMENT is a philosophy, a gathering of concepts that establish an organization's management style and policy. This is the "Good Ship Integrity" that morally and physically supports everything else. When management acts and works in accord with the concept of Quality Management then the organization can put useful "systems" to work. To cause quality management we must deliberately create an environment where all transactions are completed correctly each time, and where relationships with employees, suppliers, and customers are successful.

QUALITY ASSURANCE is work discipline, a gathering of procedures that document what people are supposed to do. This is intended to organize information for the benefit of building a path for work to follow. ISO-9000, Mil-Q-9858; Baldrige Award criteria; and TQM are examples of this information. Unfortunately many leaders are led into thinking that installing a QA system takes care of quality management. This is like thinking that possessing a driver's license produces a safe driver.

QUALITY CONTROL is a scientific measurement process, a gathering of statistics that evaluate the compliance of work by sampling its flow. This is intended to let operators continually measure the work that is in process so that nonconforming output is not produced. Statistical quality control is something you don't want to know about, it is based on never getting things right.

STATISTICAL PROCESS CONTROL (SPC) is process measurement in real terms, a gathering of numerical data. The speedometer in an automobile is an SPC chart. Place minimum and maximum speeds on it and the chart is complete. When we

exceed the limits we are causing nonconformance. Management has to learn to recognize the signals that SPC produces and take preventative action as a result of that observation.

APPRAISAL is inspecting and testing, a gathering of observations to measure completeness. In manufacturing Appraisal is obvious as we watch people look at things; in administrative work it goes on all the time also but is not noticed and, therefore, not formalized as it should be.

When I was a quality/reliability engineer some time ago, I participated in the daily battle to get management interested in quality. Those of us in the trenches saw day after day how management would compromise on quality in order to move product or services out the door. Their criteria were clear: schedule came first; budget came second; quality came third. Their constant question was “can it be used?” We spent a lot of time fixing and making do. Those who could pull rabbits from hats regularly were rewarded. Those who just ran a good operation were ignored.

However, when I became a senior manager and then an executive I spent a lot of time with these people. Then I began to realize that they weren’t evil, they just didn’t have a clue that quality was their friend. In fact they had no definition of the word. It was just some sort of negotiable “goodness” to them. They were as frustrated as we had been. From then on my mission was to develop a common language of quality that everyone in the organization could understand. The result was the “Absolutes of Quality” which is the platform of the Quality College courses that PCA II teaches in order to provide education to all members of the organization. The courses are designed to all fit together so everyone understands their role in making quality part of the woodwork of the company.

Experience with hundreds of companies has shown that this works every time. Management sets a clear policy; clear and doable requirements are established; employees and suppliers learn how to accomplish them correctly every time; productivity soars; and customers are successful. All it takes is a common purpose.

A few years ago “quality systems” began to emerge as a solution to the problems of quality. “Total Quality Management” is a catchy title. People don’t stop to wonder if there is a “partial” or “minimal” quality management. It consisted of a gathering of procedures and events that a committee ran and the result was to make management feel

good. Predictably this trend is now expiring because it had no philosophical base, not even an agreement on what the word “quality” means.

As the result of this and other “systems,” such as ISO, I wanted to make clear that Quality was management’s job and that “systems” were an illusion. For that reason I developed the “Absolutes of Leadership” and wrote a recent book about them. The Absolutes are: Agenda (both personal and organizational); Personal Philosophy (Finance, Quality, and Relationships); Building Enduring Relationships; Being Worldly. This puts Quality in its proper place. It is not an “add on” or an irritating subject to be run by some committee.

The integrity of an organization is an extension of the personal philosophy of the leadership. Leader, heal thyself.