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MGMT 5
Due: 5/18/10

Cranston Nissan Case study

Answer the following questions from the perspective of TQM

1) Categorize the quality problems in this case.

Quality is defined as the reliability, durability, serviceability and dependability of products and services and also as fitness for use. Steve Jackson's body shop did not display any of these characteristics, but instead showed the opposite. It did not have an upper or lower control limit set otherwise it would realize that quality was below their control limit and they would strive to improve quality. Its objective should have been to repair the rust damage in an efficient and effective manner, but it instead created more problems and demonstrated poor quality. This is a problem with efficiency because instead of fixing one problem, they created more which they had to fix over a long period of time. There was also the problem of inventory being out of stock. The repair shop should have used the economic order quantity to ensure they are always in stock when the customer needs a part instead of waiting 3 days to order the part.

2) What are the probable causes of so many mishaps?

This is a cause of not implementing Total Quality Management. From the perspective of Total Quality Management, the quality problems can be broken down into five key elements: Objective, Design, Capabilities, Infrastructure and Metrics. These are all elements of the continuous process improvement, also known as the kaizen. The Objective of the body shop was one problem because the customer had gone in to get repair for rust damage, but instead, was presented with more problems than he had started out with. This

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is also due to a failure in the Design. If there were a specific Design to execute a rust damage repair process, then this would reduce the problems cause in other areas of the car. A design is meant to increase the objective while minimizing the number of steps, the complexity and the time. The Capabilities of the design was a problem because the capabilities are meant to determine which steps are needed to implement the design. There either weren't enough steps in the design, or unnecessary steps since the car was not returned to its original state after the repair. The infrastructure with the employees was also flawed and is evident when there are miscommunications between the two subcontractors. There were discrepancies between whether Sam Monahan should pay for the repair to the speedometer or not and also when Jim Boyd reported that "there was nothing to report" and the car sat in the shop for 3 days. The final step is to find the Metrics that help Jackson monitor and determine how well a redesign would be. All of these problems led to the cause of so many mishaps.

3) What specific actions should Jackson take immediately? What should some of his longer-term goals be?

Jackson should immediately compensate the customer for his troubles if he expects to have Sam Monahan as a customer in his shop again. Sam will hopefully spread a positive word of mouth if Jackson can compensate for Sam's frustration. In the long-term, Jackson's goals should be to reengineer his current quality management and aim for a Six-Sigma quality service. This will ensure that the proper quality will be implemented in the future and that only 3.4 cars per every million will be defective or inefficient to repair. To do this, he would

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need to produce a quality control chart to determine whether the current process is lacking performance or improving performance. Then he would need to implement a continuous process improvement to reengineer his service and determine where the problems can be eliminated. He should then train his workers to improve their work standard and get their work done more efficiently while maintaining quality service. The workers could then work at effective capacity, instead of design capacity, to get their work done in an effective manner.