

TRANSLATING WHAT THE CUSTOMER WANTS

Not just stats and charts, quality is a decision to take action.

BY Arthur G. DAVIS

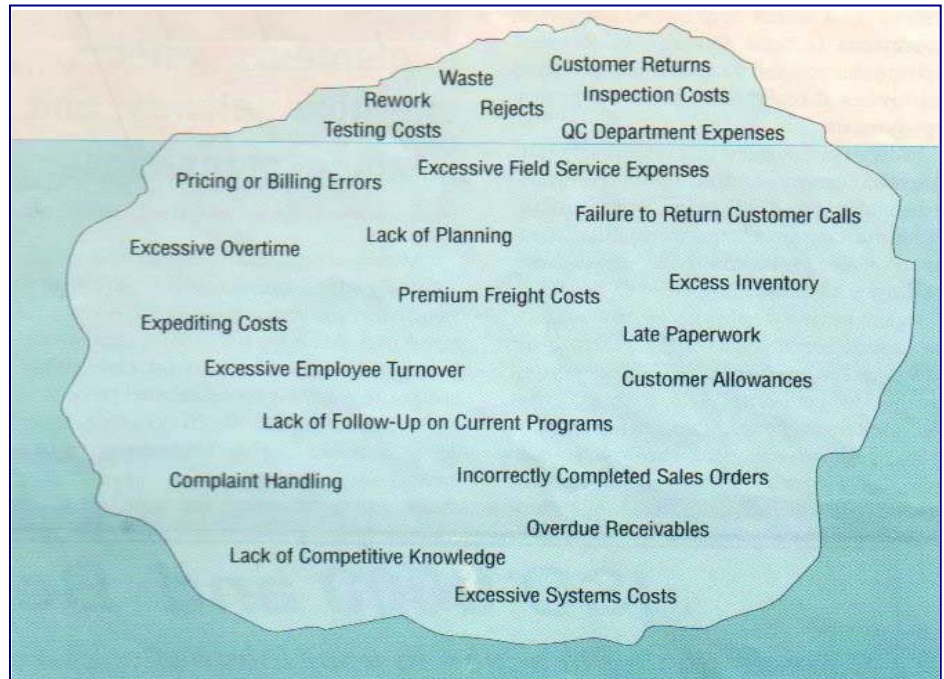
Quality has become a survival issue in today's business world. While managers today are keenly aware that quality is important to competitiveness, there remains the problem of translating the desire for quality into a practical program of action. The solution is the whole-hearted participation of company senior management in quality policy and action. Management's ability to evaluate and translate the critical customer requirements will allow everyone in production and control to speak the same language: Quality.

Quality is often defined as delivering products or services that satisfy, or preferably, *delight* the customer. So achieving quality necessitates concentrating on critical customer requirements such as timeliness, accuracy, format, size, etc. Adherence to these critical requirements reduces or eliminates the subjectivity in evaluating the end product.

More than the absence of defects

Quality measures the extent of how well a supplier complies with the customer's critical requirements. Defects or discrepancies are counted with respect to the agreed critical requirements.

Defects are instances of non-conformance to customer requirements that lead to customer dissatisfaction. Not long ago companies considered a 1% defect rate acceptable. But for any system with 1 million opportunities for error, a 1% defect level meant



To consider quality only in terms of defect rate is to measure no more than the tip of the quality production iceberg.

To strive for quality improvement requires that managers:

- Establish a policy stating that the company will deliver defect-free products and on-time services
- Communicate to the workforce that quality is complete conformance to customer requirements

Quality's reward is higher productivity and shorter cycle time, both of which lead to greater profitability.

some 10,000 errors. Today quality is considered in terms of defects per million (DPM). Companies that used to have a 1% error rate (10,000 defects) have cut this figure to 2,000 or 3,000 defects per million, often with the same personnel and equipment.

Rather than considering defects as inevitable, companies can conceptualize zero-defect

manufacturing. Some operations, notably Motorola, manufacture as few as 3 or 4 defects per million. This level of quality production is commonly known as "Six Sigma," or 99.99966% defect-free in the context of Motorola's operations.

To approach zero-defect requires a policy that products be both *designed* and *manufactured* without defects. All elements in the

process have to match specifications without deviation.

Defect rate, however, is not the whole quality story. Production organizations that measure quality exclusively in the limited terms of defect/reject rate do not

take into account other cases that lead to less than optimal quality. Workmanship or delivery of service may be flawless, but late. Or projects may be completed on time, but over budget. These too, are non-conformance to the customer's requirements.

A more realistic quality measurement approach consists of not one but three elements: defects, on-time delivery, and budget compliance. Each of these factors directly impacts customer satisfaction and an organization's prospects for survival.

All three elements taken together will set and track progress toward quality improvement goals.

Company-wide strategic goals

For continuous quality improvement, quality objectives must actually drive company strategic plans. In practical terms, these objectives cannot be accomplished by a select few in the corporate boardroom. Instead, strategic goals must become the property of all managers and employees through a system of policy deployment.

Policy deployment is a system of planning and communication, which is initiated and controlled by senior management, yet capitalizes on all the innovation, perspective, and problem solving capabilities available at each organizational level.

In the policy deployment process, senior management develops, communicates, and advocates a strategic vision. At the

departmental level, this vision becomes more specialized: middle managers, supervisors, and employees turn the quality improvement vision into specific objectives and projects

Department
Management action based on implementing suggestions taken from employees and suppliers is truly quality-minded thinking. Along with setting quality improvement objectives, corporate leaders must provide the tools needed to accomplish these goals. Such system-support tools include quality improvement programs for line workers, quality management skills training for managers and

managers and employees, in turn, provide a pipeline of information and insights, which senior executives can incorporate into a continually evolving quality improvement strategy.

Quality consists of not one but three elements: defects, on-time delivery, and budget compliance

supervisors, and quality awareness training for everyone in the organization. Of course, proper job training and open communication are vital to this process.

Surprisingly, only a few organizations have true systems-supported, continuous quality improvement programs. This approach, then, offers an outstanding opportunity to gain a quality advantage over the competition. ✦

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