

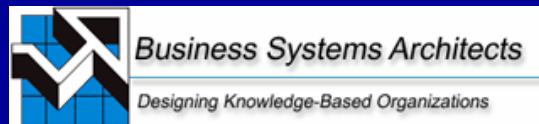
Making Quality Magical: The Hidden Keys to Successful Quality Programs



By

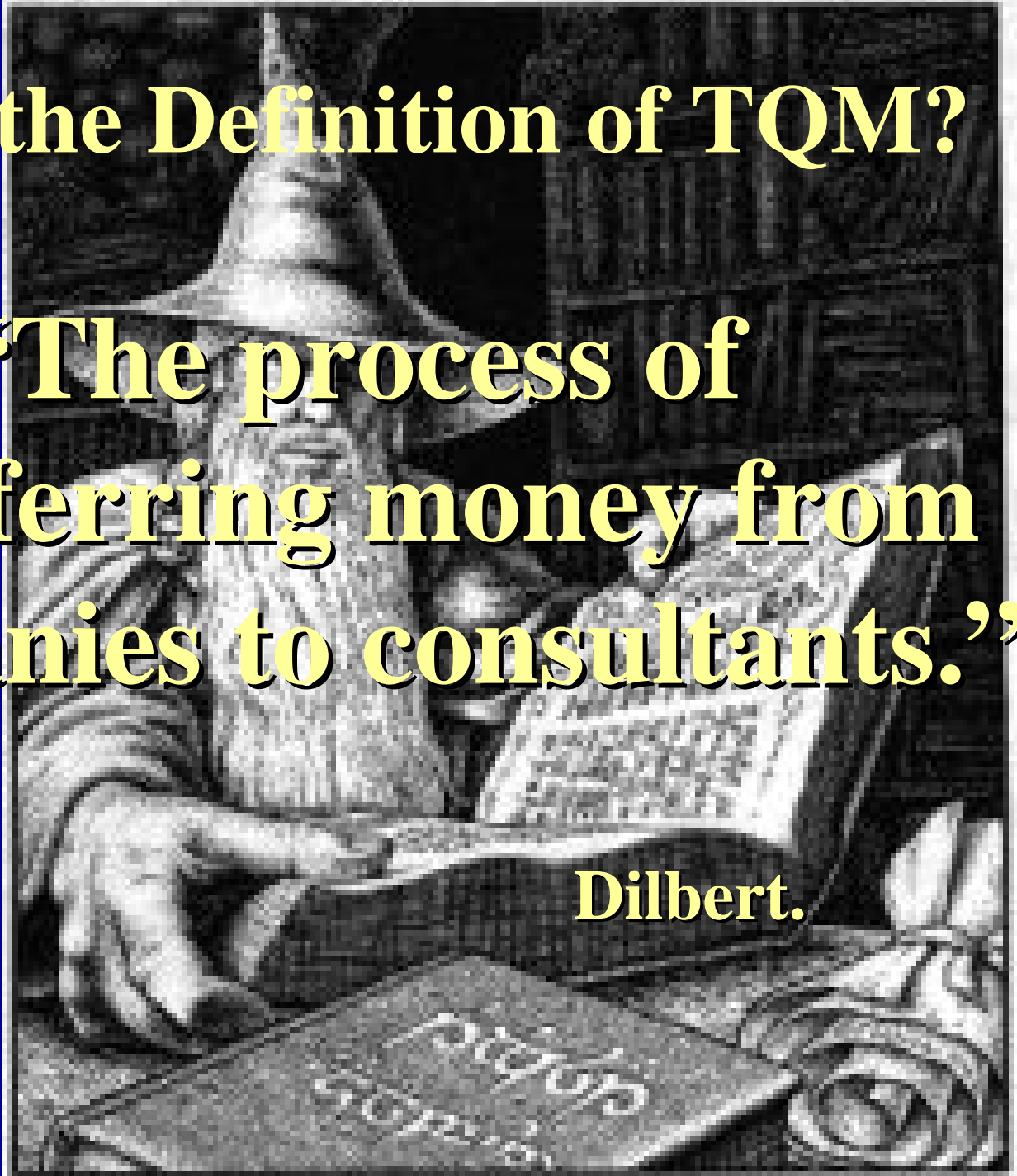
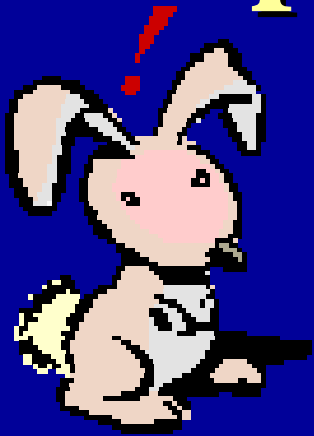


Charles Philip Mignosa



What is the Definition of TQM?

“The process of transferring money from companies to consultants.”



Dilbert.

Some Management Tools Used

- **Total Cost Management**
- **Total Productivity Management**
- **Total Quality Management**
- **Total Resource Management**
- **Total Technology Management**
- **Six Sigma**

And on, and on and on

The Story - Baldrige

Executives Confused

- **Too Complex**
- **Too Daunting a Task**
- **Too Long to Learn**
- **Too Slow**
- **Too...Too...Too...Too**

Excuses for Failure

- 1. Not beginning sooner.**
- 2. Failing to make quality a priority.**
- 3. Making quality a project, not a continuous process.**
- 4. Expecting immediate financial results.**
- 5. Not having everyone involved.**
- 6. Not focusing on measurements.**

Characteristics of Successful Quality Programs

1. Relating the organization's improvement efforts to the business plan.
2. Engineering the total improvement effort.
3. The need for both continuous and breakthrough improvement through the use of teams and business process improvement methodologies (later to be called Process Reengineering or Redesign).
4. The importance of empowerment and creativity to allow the individual to excel.



In 1987, McGraw-Hill's landmark book, *The Improvement Process*, explored the importance of:

Three Types of Quality Focus

- **Management Based**
 - **Talk in terms of Business & Finance**
- **Technical Based**
 - **Talk in terms of technology and product quality**
- **Holistic / Humanistic**
 - **Talk in terms of environmental and personal development**
- **Hybrids**
 - **Mix and Match**

Two Types of Activities

1. Projects

- **Drive the business to meeting its objectives.**

2. Processes

- **The roadmap by which we track and accomplish our projects.**

**Lets Examine some of the
quality programs that have
been proposed, implemented;
have succeeded and failed.**

Philip Crosby's 14 Steps

1. Management Commitment
2. Quality Improvement Teams
3. Measurement
4. Cost of Quality
5. Quality Awareness
6. Corrective Action
7. Zero Defect Planning
8. Employee Education
9. Zero Defect Day
10. Goal Setting
11. Error-Cause Removal
12. Recognition
13. Quality Councils
14. Do it Over Again

Dr. Edwards Deming

1. Nature of variation.
2. Losses due to tampering (making changes without knowledge of special and common causes of variation).
3. Minimizing the risk from the above two (through the use of control charts).
4. Interaction of forces, dependence, and interdependence.
5. Losses from management decisions made in the absence of knowledge of variation.
6. Losses from the successive application of random forces that may be individually unimportant (such as workers training other workers).
7. Losses from competition for market share and trade barriers.
8. Theory of extreme values.
9. Statistical theory of failure.
10. Theory of knowledge in general.
11. Psychology, including intrinsic and extrinsic motivation.
12. Learning theory.
13. Need for transformation to leadership from grading and ranking.
14. Psychology of change.



Dr. Armand V. Feigenbaum

1. **Quality is a company wide process.**
2. **Quality is what the customer says it is.**
3. **Quality and cost are a sum, not a difference.**
4. **Quality requires both individual and teamwork zealotry.**
5. **Quality is a way of management.**
6. **Quality and innovation are mutually dependent.**
7. **Quality is an ethic.**
8. **Quality requires continuous improvement.**
9. **Quality is the most effective, least capital intensive route to productivity.**
10. **Quality is implemented with a total system connected with customers and suppliers.**

Dr. Joseph M. Juran

1. **Market Research**
2. **Product Development**
3. **Product Design/Specification**
4. **Purchasing/Suppliers**
5. **Manufacturing Planning**
6. **Production and Process Control**
7. **Inspection and test**
8. **Marketing**
9. **Customer Service**

Dr. Kaoru Ishikawa

1. **Quality first – not short-term profit.**
2. **Consumer orientation – not producer orientation.
Think from the standpoint of the other party.**
3. **The next process is your customer – breaking
down the barrier of sectionalism.**
4. **Using facts and data to make presentations –
utilization of statistical methods.**
5. **Respect for humanity as a management
philosophy – full participatory management.**
6. **Cross-function management.**

Ranking These Programs

	Management	Technical	Cultural	Composition
• Crosby	2	4	8	Cmt
• Deming	3	7	4	Tcm
• Feigenbaum	0	0	10	C
• Juran	5.5	3.5	0	Mt
• Ishikawa	1	1	4	Cmt

Is there a single measurement of a Successful Program???

What is the Root Cause of Success?



**Some say that the Root Cause of
Success is:**

**Continuous
Process
Improvement**

But what does this Lead to???

Cycle Time Reduction

Cycle Time Reduction

(Of all processes Management & Technical)

- **Yields**
 - **Higher Quality Products**
 - **Which yields**
 - **Increases Market Share**
 - **Return on Assets**
 - **Value added per employee**

Therefore

Successful Technical Programs Yield

Cycle time reduction

Elimination of scrap

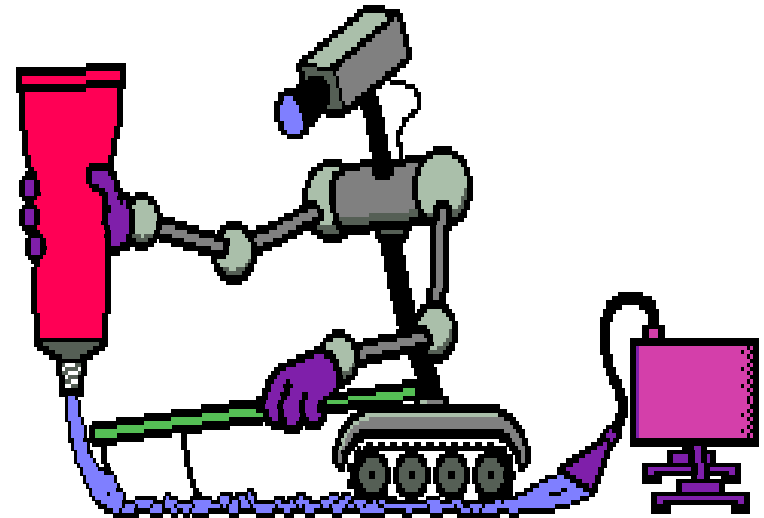
Increased Yields

Reduced Product cost

High Quality Products

Reduced testing

Reduced failures



Knowing when the process is optimized and no further improvement can be made.

Knowing when a paradigm shift is required

Successful Management Programs Yield

- **Increases Market Share**
- **Return on Assets**
- **Value added per employee**



H. James Harrington

What is Needed to Attain Cycle Time Reduction?



**Sustained Management
Commitment**

Without “SUSTAINED” management commitment no program can succeed.

- **Buy-in at the top-most level of the company.**
- **Recognition that this is not a project, but a journey.**
- **Success is only achieved when a SELF-SUSTAINING & SELF CORRECTING program is in place and working.**

What allows businesses to succeed?

- **Documented Business Processes that support the quality and business objectives of the company.**
- **Continuous evaluation and review of all processes.**
- **Making decisions based on FACTS.**
- **Making decisions at the lowest levels.**

What causes businesses to fail.

- **Processes not in place or that do not support the quality and business objectives of the company.**
- **Changing Form instead of Substance**
 - ◆ **Reorganizing instead of addressing root causes.**
- **Making decisions based on rumors and opinions.**
- **Making operation decisions at the highest levels.**

Proper roles for management.

- **CEO, CFO, etc “LEADERSHIP”**
 - ◆ **Position the company in the sector**
 - ◆ **Evaluate competition**
 - ◆ **Set a course for future growth and market share.**

- **Presidents and Vice-Presidents. “LEADERSHIP”**
 - ◆ **Support the goals of the top management**
 - ◆ **Support the success of their divisions.**

Proper roles for management.

- **Middle management “LEADERSHIP”**
 - ◆ **Support the goals of the top management**
 - ◆ **Support the success of their areas.**
- **Management. “LEADERSHIP”**
 - ◆ **Support the goals of the top management**
 - ◆ **Support the success of their departments.**
- **Engineers, Supervisors, Leads etc.**
 - ◆ **Recommending and implementing operation decisions based on FACTS.**

What is Needed to Attain Cycle Time Reduction?



Data vs. Actionable Knowledge

Actionable Knowledge gives Management the information needed to monitor the progress of all of the projects and to make decisions that will support the desired result.



Opportunity

- **Produce a modeled approach for the achievement of organization excellence that is achievable, effective, efficient, understandable, relatively fast, and achieves bottom line improvement of organizational outcomes**

Customer Requirements...

“Quality Function Deployment”

- Needs to be Linear Thinking
- Needs to follow Familiar Methods
- Needs to make the point in < 5 Minutes
- Needs to show How not just Theory
- Must have an Implementation Strategy
- Must support Baldrige, ISO, and Six Sigma

Who Is The Audience

- **Top Leadership**
- **Quality Professionals**
 - **The NUMBER ONE question by Quality Professionals is how do we get Leadership commitment for quality?**
 - **Quality Professionals need tools and a road map to assist them with an organizational transformation to excellence.**

Business Concept

Demonstrated Performance Results

-
-
-

Based on Defined Organizational Outcomes

Putting Together a Knowledge System



First 3 Hidden Keys

Hidden Key 1:

Define your goals to support the final goal.

(Start with the end in mind)

Hidden Key 2:

Include and support all the employees in the accomplishment of their individual goals.

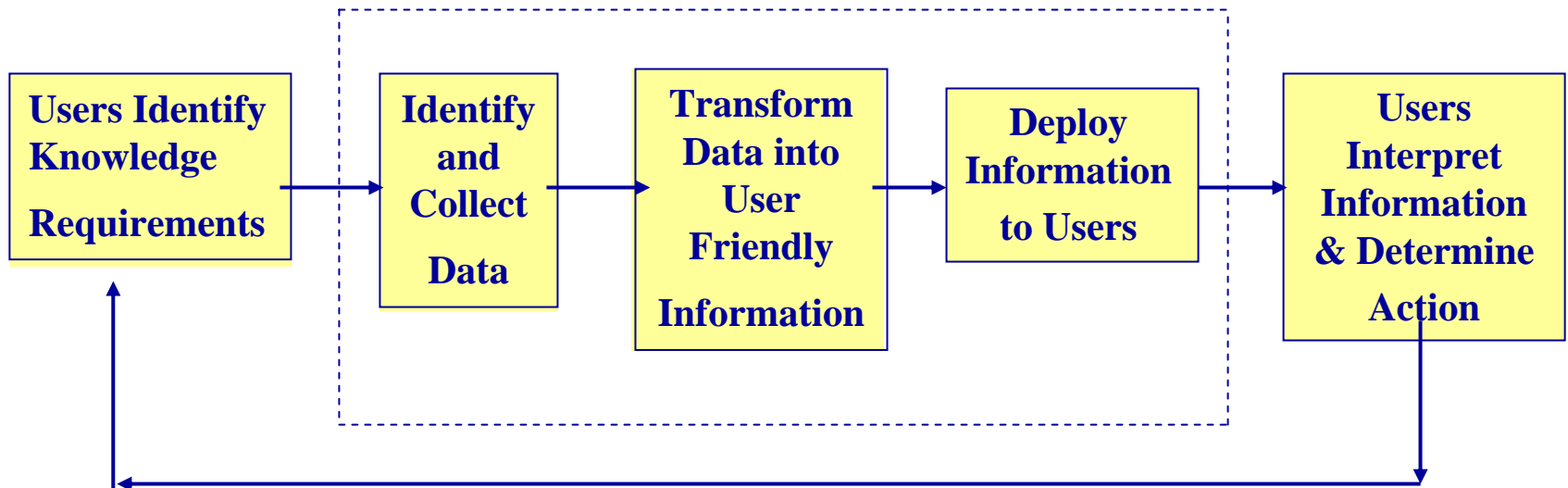
Hidden Key 3:

Don't micro-manage:

This leads to the employee not owning their job. If an employee does not have the authority and responsibility for their job, then why should they care about how the job is done?

User Created Knowledge

Organizational Support Structure



Organized Capability Improvement System In Seven Specific Areas

Subsystem	Identifier	Capability Area
System Drivers	S1	Key Business Issues
	S2	External/Internal Expectations & Implications
Leadership	L1	Goal Setting & Planning
	L2	Resourcing and Staffing
	L3	Communications & Deployment
Capability	C1	Processes – Design, Management, & Improvement
	C2	People – Capability & Growth

More Hidden Keys

Hidden Key 4:

Build actionable knowledge by starting at the top and working your way down always asking yourself, “In order to provide this information, what information do I need to start with, does this information exist, if it does where is it, if it doesn’t how can it be obtained.

Hidden Key 5:

Use your employees as your source for knowledge. The person doing the work knows what is working and what is not.

Hidden Key 6:

Build your knowledge from the data collected, translating it into metrics that address the information required from the level above and present that information in a manner that shows the change over time against the goal.

Deployment Strategy Based on 5 Knowledge Channels

Knowledge Channel	Identifier	Main Purpose
Outcome Knowledge	K1	Provides Leadership with knowledge regarding Outcome Performance for Planning
Process Knowledge	K2	Provides those in the process with Process Performance Knowledge for continuous improvement and innovation
Operations Knowledge	K3	Provides Leadership with Operations Knowledge of Critical Contributing Core Processes for Planning
External Driver Knowledge	K4	Provides External Driver Knowledge for planning and goals setting
Deployment of Knowledge	K5	Deploys Direction, Goals, and Plans into the organization for Outcome Achievement

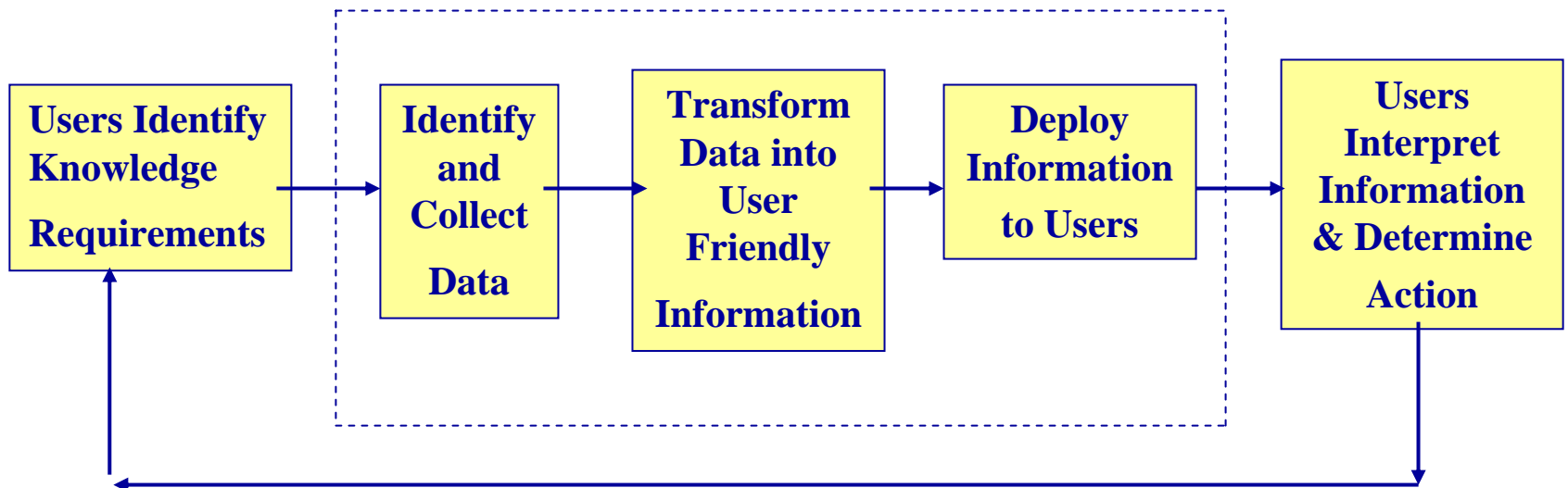


ACHIEVING EXCELLENCE SIMPLIFIED

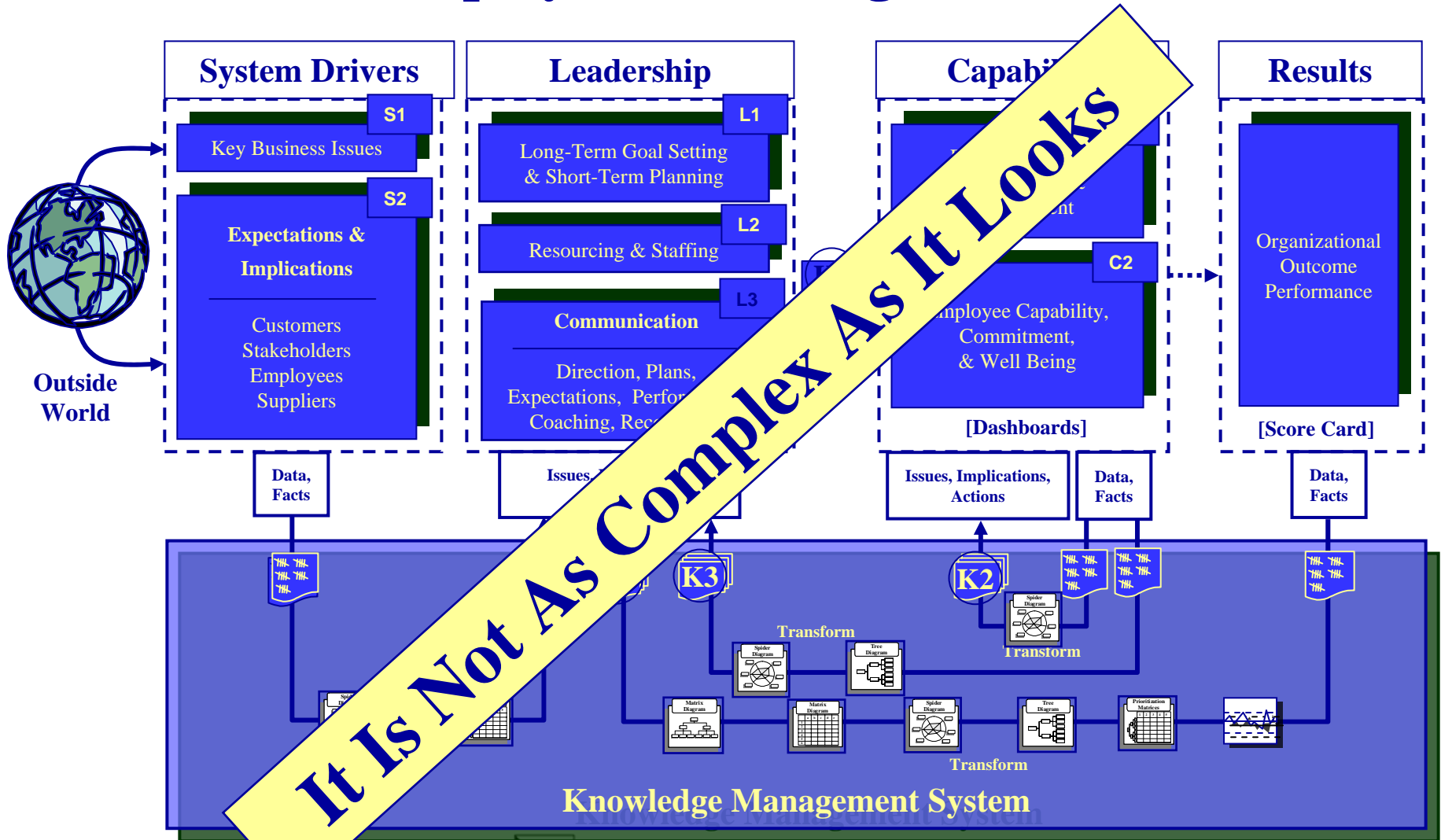


User Created Knowledge

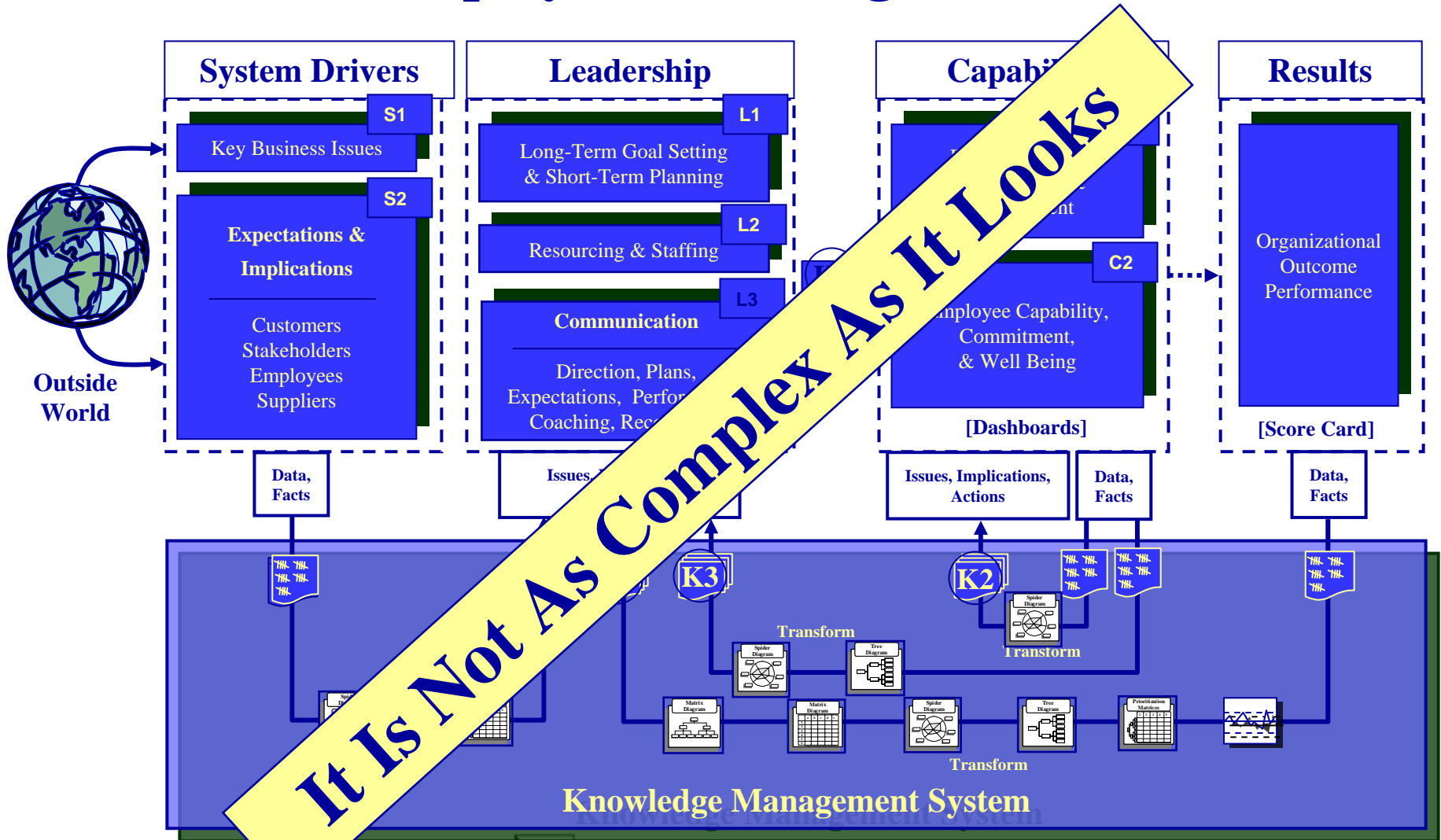
Organizational Support Structure



Leadership System for Organizational Results

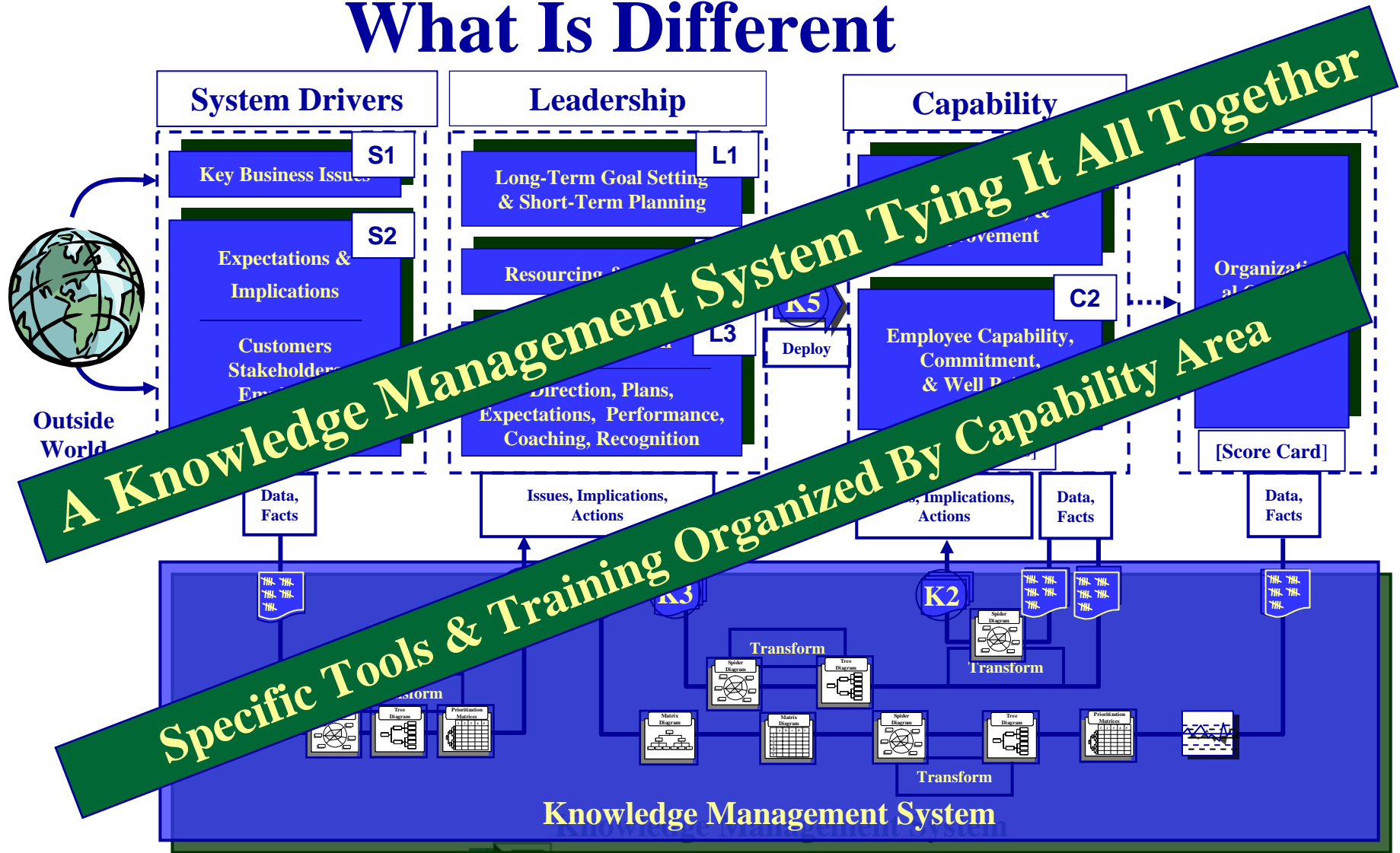


Leadership System for Organizational Results

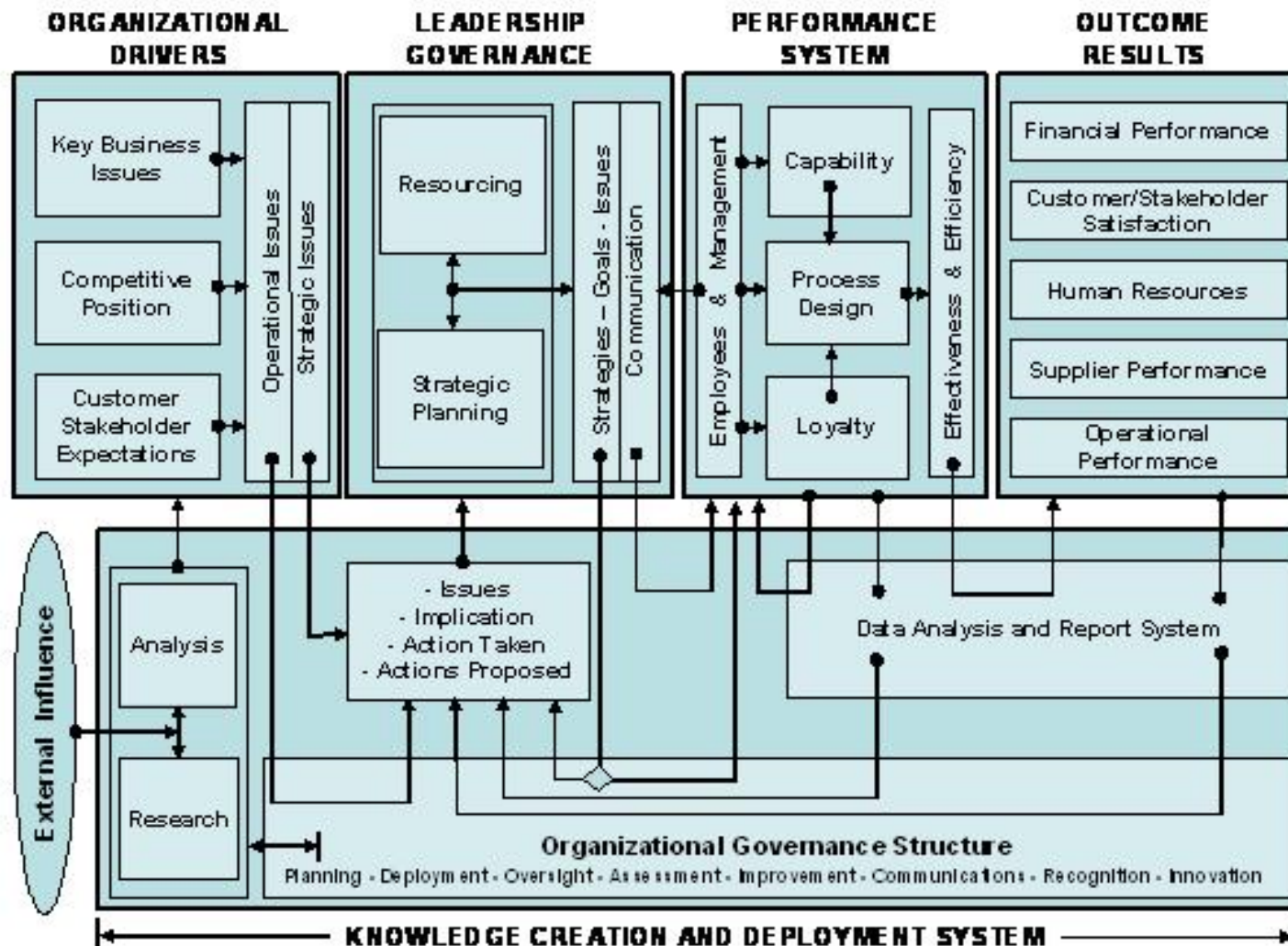


What You Already Have

What Is Different



LEADERSHIP SYSTEM FOR ORGANIZATIONAL EXCELLENCE



CONCLUSION:

- **Focus on what knowledge is required**
- **Let the Users define the knowledge they need**
- **Use Knowledge to Drive Outcome Performance**

The Root Cause of a Successful Quality Program

- **Cycle Time Reduction**
 - (Of all processes Management & Technical)
 - Which yields
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Hidden Keys to Success



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Quality Process



Quality People

Quality Product

Quality Process



Actionable
Knowledge



Quality People

Quality Product

Quality Process



Continuous Process Improvement

Quality People

Quality Product



Business Systems Architects

Designing Knowledge-Based Organizations

Quality Process



**Cycle Time
Reduction**

Quality People

Quality Product

QUESTIONS

