



03 Total Quality Management

Competition is here to stay. You may relish the challenge, or wish it weren't there. Either way, salaries have to be paid, premises maintained and creditors satisfied. There are few businesses whose product or service is so unique that it stands alone, commanding the field. So how do businesses differentiate themselves? What keeps existing customers coming back for more, and makes new prospects feel comfortable about using them as a supplier?

The answer may take many forms - value for money, reliability, convenience, relationships; quality is the force of gravity that underpins all of these. You may have already decided that quality is so important to the well-being of the company that you have applied for ISO 9000 accreditation. The benefit of such accreditation is obvious - it acts as a reference for new customers and a reassurance to existing ones that your business is operated to internationally-recognised quality standards. Special applications for smaller companies are available which recognise the need to keep bureaucracy to a minimum, and if you haven't done so already you would do well to consider it.

However, ISO 9000 requirements amount to approximately 75% of what is achieved in a full Total Quality Management (TQM) programme, and you don't have to apply for accreditation to reap the benefits of running your business in line with TQM principles. TQM is the concept that quality can be managed - it is a process - and is a philosophy of perpetual improvement.

Satisfying the customer is the ultimate aim of TQM, and if the user is someone other than the customer then both must be satisfied. TQM encompasses meeting customer requirements, reducing development cycle times, supply-chain control, reduction of product or service costs, improvement of administration

systems, reduction of waste and of course reduction of product quality variation. The aim is to prevent, not correct. Every aspect of the business is involved, as can be seen from the following principles:

- Quality can and must be managed.
- Everyone has a customer and is a supplier.
- Processes, not people are the problem.
- Every employee is responsible for quality.
- Problems must be prevented, not just fixed.
- Quality must be measured.
- Quality improvements must be continuous.
- The quality standard is defect free.
- Goals are based on requirements, not negotiated.
- Life cycle costs, not front end costs.
- Management must be involved and lead.
- Plan and organise for quality improvement.

The key to improving quality is to improve processes that define, produce and support the products and services. Work smarter, not harder, is the message.

Customers aren't the only ones to be satisfied though. What about suppliers? Whether the supplier is external or internal, clear instructions, lucid requirements and prompt payment or good working conditions will help suppliers to contribute their own high quality offerings.

Few commentators would disagree that the Japanese have been hugely competitive in the world of business. Many ascribe this success to their use of Kaizen - which is often translated in the West as 'continuous improvement' (Total Quality Management?). The implementation of Kaizen involves making continuous incremental improvements to



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every aspect of the business and its products, rather than the huge but occasional changes that are pretty much the norm.

Actually, Kaizen comes from the words 'Renew the heart and make it good'. That is very apt, because it and TQM require a change at the heart of corporate culture in order to translate the company Vision (see the earlier paper '01 - Vision, Mission and Goals') into every aspect of operational practice.

Something as all-embracing as TQM looks like a lot to handle for a smaller company where there are not the resources to have dedicated personnel to manage it. Indeed, to cover every aspect of it in any depth would take much, much more than this introductory paper. However, it is possible to not only start applying the principles but to make a good job of it and reap the rewards.

Everything in the business is affected by or produced by a process of one sort or another. Once you accept that, the way into TQM is relatively straightforward:

1. Define the process.
2. Measure the performance of the process.
3. Review the performance of the process.
4. Identify process shortcomings.
5. Analyse process problems.
6. Make a process change.
7. Measure the effects of the process change.
8. Communicate both ways between supervisor and user.

The most important step of all, though, is one that precedes number 1 above - get all management on board with the determination to lead the change to a TQM-based business from the front.

In Summary

- Quality is a process, and can be managed
- Quality can be a most effective differentiator between your business and a competitor
- ISO 9000 accreditation can be a good selling point
- TQM standards can be achieved without ISO 9000 accreditation
- Suppliers can be helped to provide you with a quality service
- The Japanese use of Kaizen is really Total Quality Management
- Analyse and improve all processes

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