

MEETING – WEDNESDAY, 1 APRIL 2009

“Come Back Quality – We Need You”

Andrew Downard – AD Supply Chain Group

Or How Quality Lost it's Mojo!

To Infinity & Beyond Or Over the Cliff?

- Late 1980's, Early 1990's Quality Was Everything
- Where is it now? – Pushed back into Ops?
- Has ISO Accreditation made it an Admin Role?
- Is this lack of focus because of Success
..... Or lack of returns?
- Perhaps Quality is focusing on the wrong issues

Variation Is Everywhere!

- Capital Investment Reviews
- Strategic Plan Adherence
- Customer Service
- Risk Management (or lack there of)
- And what else?

What Do Our Guru's Have to Say?

Deming Was Good With Numbers!

- The 14 Points
- The 7 Deadly Diseases
- The 4 Lesser Obstacles

Deming's 14 Points

1. Create constancy of purpose for the improvement of the **supply chain** with the aim to become competitive, stay in business, and provide jobs.
2. Adopt a new philosophy of cooperation (win-win) in which everybody in the **supply chain** wins and put it into practice by teaching it everyone in the **supply chain**.
3. Cease dependence on mass inspection to achieve quality in the **supply chain**. Instead, improve the process and build quality into the **supply chain** in the first place.
4. **End the practice of awarding business on the basis of price tag alone. Instead, minimize total cost in the long run. Move toward a single supplier for any one item, based on a long-term relationship of loyalty and trust.**
5. Improve constantly, and forever, any activity in the **supply chain**. This will improve quality and productivity and thus constantly decrease **supply chain** costs.
6. Institute training for skills across the **supply chain**.
7. Adopt and institute leadership for the management of **suppliers**, recognizing their different abilities, capabilities, and aspiration. The aim of leadership should be to help **suppliers** do a better job. Leadership of **supply chains** is in need of overhaul.

Deming's 14 Points (cont)

8. Drive out fear and build trust across the **supply chain** so that everyone can work more effectively.
9. Break down barriers across the **supply chain**. Abolish competition and build a win-win system of cooperation across the **supply chain**. People in research, design, sales, and production must work as a team to foresee problems across the **supply chain** and use that might be encountered across the **supply chain**.
10. Eliminate slogans, exhortations, and targets asking for zero defects or new levels of productivity in the **supply chain**. Such exhortations only create adversarial relationships, as the bulk of the causes of low quality and low productivity belong to the system and thus lie beyond the power of individual **suppliers**.
11. Eliminate numerical goals, numerical quotas and management by objectives across the **supply chain**. Substitute leadership.
12. Remove barriers that rob people of joy of working across the **supply chain**. This will mean abolishing the annual rating or merit system that ranks **suppliers** and creates competition and conflict.
13. Institute a vigorous program of education and self-improvement across the **supply chain**.
14. Put everybody in the **supply chain** to work to accomplish the transformation. The transformation is everybody's job.

Deming's Seven Deadly Diseases

The Seven Deadly Diseases (also known as the "Seven Wastes"):

1. Lack of constancy of purpose.
2. Emphasis on short-term profits.
3. Evaluation by performance, merit rating, or annual review of performance.
4. Mobility of management.
5. Running a company on visible figures alone.
6. Excessive medical costs.
7. Excessive costs of warranty, fuelled by lawyers who work for contingency fees.

A Lesser Category of Obstacles:

1. Neglecting long-range planning.
2. Relying on technology to solve problems.
3. Seeking examples to follow rather than developing solutions.
4. Excuses, such as "Our problems are different."

Phillip Crosby

Specifically stated his focus was that of Management

- “You have to lead people gently toward what they already know is right”
- “Eliminating what is not wanted or needed is profitable in itself”
- If you don’t produce a Dead Dragon every week your license will be revoked
- “Many of the most frustrating and expensive problems come from paperwork and similar communication methods”
- “~~Quality~~ Management is the systematic way of guaranteeing that organised activities happen the way they are planned”
- **“No one can remember more than three points.”**

Joseph Juran

- Too much focus on ‘small **q**’ quality to the detriment of strategic ‘large **Q**’ quality.
- Berated the quality movement for not speaking the language of Management e.g. ***Finance***
- The Juran Trilogy:
 - Quality Planning
 - Quality Control
 - Quality Improvement

The Joseph Juran Trilogy

- ~~Quality~~ Planning
 - Identify who the customers are
 - Determine the needs of those customers
 - Translate those needs into our language
 - Optimise the product (or service) features so as to meet our needs and customer needs
- ~~Quality~~ Control
 - Develop a process which is able to produce the product (or service)
 - Optimise the process
- ~~Quality~~ Improvement
 - Prove that the process can produce the product (or service) under operating conditions
 - Transfer the process to operations

The Joseph Juran Ten Steps

1. Create awareness of the need and opportunity for ~~quality~~ improvement
2. Set goals for Continuous Improvement
3. Build an organisation to achieve goals by establishing a ~~quality~~ council, identifying problems, selecting a project, appointing teams and choosing facilitators
4. Give everyone training
5. Carry out projects to solve problems
6. Report progress
7. Show recognition
8. Communicate results
9. Keep a record of successes
10. Incorporate annual improvements into the companies regular systems and processes and thereby maintain momentum

Do These Ideas Work Outside Quality?

The key issues facing managers in sales are no different than those faced by managers in other disciplines. Sales managers say they face problems such as "It takes us too long...we need to reduce the error rate." They want to know, "How do customers perceive us?" These issues are no different than those facing managers trying to improve in other fields. The systematic approaches to improvement are identical. ... There should be no reason our familiar principles of quality and process engineering would not work in the sales process.

Joseph Juran 1997
(Age 92!)

So What Do You Think?

- 1) Can we apply these Guru's approaches to improving today's businesses?
- 2) If so how do we go about this?
- 3) How will you go about this in YOUR business?

In Your Table Groups

1. Discuss the three questions above
2. Prepare an overview of your answers
3. Elect a spokesperson (or persons)

- **Any Questions or Feedback Please feel free to contact:**

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