

Improvement Initiatives

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FREE NEWSLETTER

August 2011

'Quality Quick Clicks'

¡! Free Quality Site ¡!
<http://www.freequality.org/>

Training Material
Free Six Sigma course
<http://www.qualitygurus.com/courses/course/view.php?id=2>

Free Resources
<http://www.moresteam.com/resources.cfm>

Open Source – Six Sigma
<http://www.tregna.com/>

American Society for Quality
<http://asq.org/>

Quality Training
<http://www.qualitytrainingportal.com/>

Quality Management
History, Gurus, TQM theories
<http://www.businessballs.com/qualitymanagement.htm>



What's Wrong with Quality?

by Pat Townsend
and Joan Gebhardt

Nothing has gone wrong with the concept of quality, but plenty has gone wrong with its implementation. Much of the trouble stems from senior executives failing to recognize the link between quality and leadership.

Take as a definition of leadership the example proposed here: Leadership is the creation of an environment in which others can self-actualize in the process of completing the task.

Then look at any all-too-typical company or government organization, especially any service company currently housing quality cynics and critics. Chances are you'll find that the company turned over millions of dollars to a quality consulting firm during the late 1980s or early 1990s.

Most major consulting companies simply didn't do the intellectual heavy lifting necessary to devise quality processes consistent with the demands of the American work force, and the challenges of service organizations. Schemes proposed by many consultants went something like this:

- * The CEO/president was convinced by the head of a consulting firm that pursuing quality was vital and required outside help due to the complexity of the challenge.
- * The CEO/president attended a couple of in-house lectures, made a few speeches and then effectively disappeared -- reappearing once a year to voice his or her continuing support for the "quality program."

continued on pages 2 & 3 ...

Step Up to Leadership

1 Honest

2 Forward-Looking

3 Competent

4 Inspiring

5 Intelligent

These five qualities come from Kouzes and Posner's research into leadership that was done for the book *The Leadership Challenge*. <http://www.leadership501.com/five-most-important-leadership-traits/27/>

Setting the Standard(s)



> Quality Management

International Standardization

Organization - GO

Registrar

Accreditation

Program - GO – provides

accreditation services for providers of ISO 9000 AND ISO 14000 Quality Management Systems Registrars.

National Standards

System Network - GO

- US National Resource for Global Standards serves as a central point to search for standards information.

International Quality Systems Directory -

GO

American National Standards Institute –

GO - ANSI is a private, nonprofit organization, administering the US private sector voluntary standardization system.

Get all the 411 @:

<http://www.worldbest.com/links.htm>

What's Wrong with Quality?

* The organization's senior executives formed a quality council (or a similar body) that rubber-stamped the consultants' plans for structuring the quality process and training employees.

* Virtually everyone on the payroll underwent some form of quality training. This took place over a couple of years due to the consultants' insistence that everyone master problem-solving and other techniques before the company could expect bottom-line results. The quality consultants' refrain, "This will take a long time and cost a lot of money," was self-serving and wrong. Looking for perfection as defined by outside experts and backed by months of expensive training and preparation bred cynicism. When the long-awaited results arrived, they looked paltry compared with the investment in effort and money.

* Quality processes themselves developed along one of two lines. Top council levels set policy for, oversaw the activities of and approved recommendations of the council directly below them. At one major organization in the Northeast, for instance, a leading consultant firm devised a five-level council structure, each level overseeing the next lowest. Only at the sixth level -- comprised exclusively of nonmanagement personnel -- was anyone actually charged with making improvements.

Alternatively, a process focused on a single quality subset or component, an unbalanced effort that kept senior executives from having to trust lower-level employees with meaningful decision making.

* After much fanfare, the process was launched, then ignored and allowed to wither. In the end, a coterie of quality groupies made just enough noise to justify the organization marking the "yes" box when surveys asked, "Does your organization have an active quality process?"

Contrast this scheme with the leadership definition above. When an organization's leaders disengaged from quality processes and instead relied on indifferent outside sources to direct operations, they acted against the definition. Deviation continued when consultants instituted a multilayered, over-the-shoulder supervision system requiring serial approval before improvements could take place. There is a better way.

With or without a consulting company, an effective approach to quality includes several essential components:

* *Top management commitment.* This must be active, obvious and informed. Senior executives can best demonstrate their interest through personal commitments of time and ego, backed by organizational resources. They can involve themselves in the committees that define their organizations' quality process or in their organizations' program of recognition, gratitude and celebration. Another option is through active and ongoing efforts to improve their own work procedures. As one quality entrepreneur in Texas puts it, "Their hips and their lips have got to go in the same direction."

Ask this question: "Of the last 10 decisions made by senior management 'in the name of quality,' how many required that senior management change its own behavior?" If the percentage is low, then the company's quality efforts will run into trouble.

What's Wrong with Quality?

* *Leadership.* A common understanding of what leadership means must exist throughout the organization. This does not happen without frank discussion, training and empowerment, i.e., authority equal to responsibility. Encouraging employees throughout the organization to practice leadership behavior is the hallmark of an active quality process. This requires a leap of faith; a hop of hope won't cut it.

* *100-percent employee involvement -- with a structure.* It is logically indefensible to involve less than 100 percent of the people on the payroll in quality improvement. Whose help isn't wanted or necessary? It is unrealistic, however, to ask people to leave their comfort zone and embrace change without giving them clear guidelines for how things will get done in the future. These guidelines must address two questions: "Are we doing the right things?" (i.e., reengineering, value analysis and blueprinting) and "Are we doing things right?" (i.e., creating quality teams and engaging every employee on at least one of them.

Ask this question: "Where do you go with a good idea?" When every employee at every level knows the answer and the answer encourages active participation, the company is embracing quality.

* *Communication.* Remember that it's what people hear that counts, not what they say. Also, upward communication is as important as downward communication. Companies should structure procedures to help all employees improve their communication abilities.

* *Training.* An organization is well-advised to train 10 percent to 15 percent of its employees as quality team leaders who can lead problem-solving discussion groups. Other employees will learn by observation or, in future years, through formal training when it is their turn to serve as team leaders. Keep problem solving simple. A major fault with quality training -- besides the inflated prices -- has been the requirement to drag every problem through every step of a consulting company's seven- (or 9 - or 11 -) step process.

Many problems can be solved effectively by saying, "We do *what*?! Good heavens, let's not do that!"

* *Measurement.* Misuse of measurement ranks high as an impediment to quality. While vital to success, measurement is not a religion and involves no mysteries. Benchmarking may sound complicated, but think of the Evil Queen, who asked, "Mirror, mirror on the wall, who's the fairest of them all?" She was benchmarking, and to give her credit, when she got data, she acted. Employees rightfully resent measurement used as a source or form of punishment. Only two reasons legitimately justify taking measurements: to track progress and to gather data as a source of ideas for improvement. Individuals charged with collecting data must answer the questions, "Why are you taking that measurement? How will the data be used?"

* *Recognition, gratitude and celebration.* An organization must say thank you. Difficulties often arise because different people hear thank you in different ways. This topic will be addressed separately in a future column; suffice to say that recognition requires a significant time investment for senior executives. Interestingly, the less time invested, the more money required to achieve the same results.

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About the authors

Pat Townsend and Joan Gebhardt have written more than 200 articles and four books: Commit to Quality (John Wiley & Sons, 1986); Quality in Action: 93 Lessons in Leadership, Participation, and Measurement (John Wiley & Sons, 1992); Five-Star Leadership: The Art and Strategy of Creating Leaders at Every Level (John Wiley & Sons, 1997); and Recognition, Gratitude & Celebration (Crisp Publications, 1997).

5 Lean tools 4 6 sigma ...

- [Shubhajit Roy](#)

Integrate Lean without creating ripples. Use these tools to augment existing six sigma frameworks:

- 1) Value Stream Mapping
- 2) Takt time
- 3) Ishikawa Diagram and 5-whys
- 4) Heijunka (Load Balancing)
- 5) Poka-Yoke (Mistake-proofing)

Heard of Deming's 14 points? Here's another 13 Elements for Management ...

1. Quality of Worklife
2. Create a new analog (C.I.)
3. Quality Tools
4. Design for Manufacturability
5. Statistical Process Control
6. Quality System
7. Customer Satisfaction
8. Management review
9. Subcontractor Management
10. Training
11. Technology Development
12. Financial System
13. Quality Strategies

'Lean' and 'Six Sigma' methodologies seem quite different, but ... an organization can benefit by wisely uniting these approaches.

A simplified view of "Six Sigma" includes:

- Select projects to maximize financial improvement but define a limited scope
- Look at the problem from the customer's point of view
- Investigate and document the business process, including inputs and outputs
- Use statistics: take samples and analyze for variations
- Minimize variations to ensure repeatable quality

A simplified view of "Lean" includes:

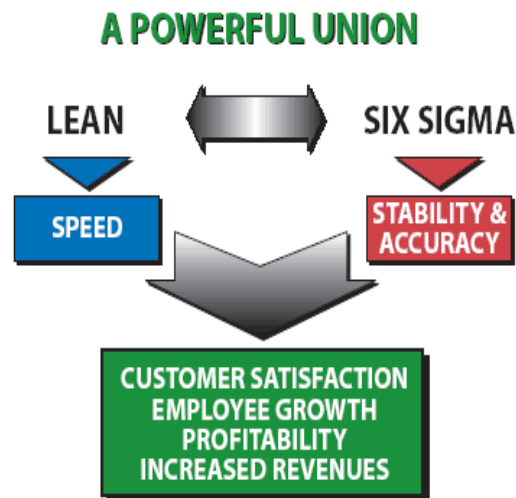
- Minimize inputs and wasted outputs
- Maximize throughput of any process
- Start a process to meet the customer's request, rather than to build inventory
- Produce what the customer requires, correctly, the first time
- Build "continuous improvement" into every process, by bringing suppliers and front-line workers "into the loop"

What would it mean, then, to make a "Leaner" Six Sigma methodology?

The basic concept is to add Lean's "continual improvement" as an ongoing activity to the completion of every Six Sigma project. In this way, Six Sigma moves away from a "project that was completed" to a "process that is ongoing". Continue to gather data to feed Six Sigma's statistical analysis. Continue to seek incremental improvement by empowering the front-line workers to make their suggestions.

Using a Lean "continuous improvement" approach, workers can make changes and use ongoing statistical monitoring to evaluate the success of the changes.

Source: <http://world-class-manufacturing.com/sixsigma.html>



Study the element details at:

<http://www.analog.com/en/quality-and-reliability/total-quality-management/thirteen-quality-elements/content/index.html>

Don't Lose Your Lean Six Sigma Project in the Presentation

By [Phil Mintz](#) April 24th, 2009 (Used with permission.)

This week I happened to be working as a Lean Six Sigma facilitator. It was the second week of a client's on-site Green Belt training series. One of my favorite activities is when we hear team presentations from our training lab as well as presentations from the new and in-process company projects.

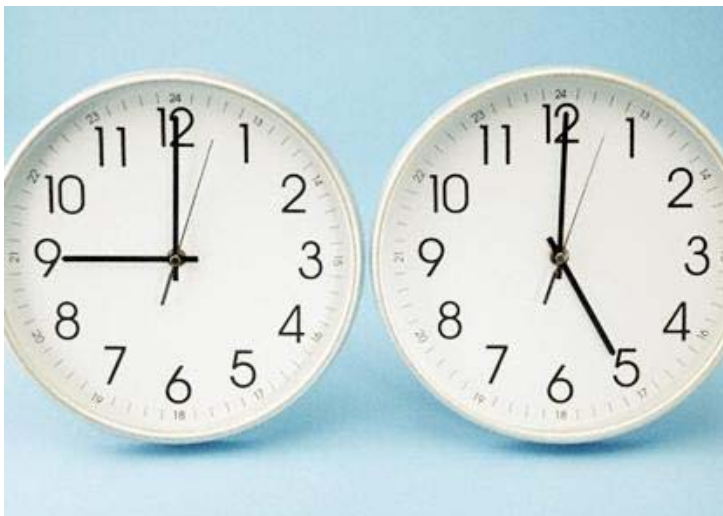
After several days of introducing powerful data analysis and optimization tools such as hypothesis testing and design of experiments, we ask the program participants to display and explain how they defined, measured, analyzed, improved, and controlled the problem process presented to them at the start of the training.

Since the tools are new, we always see interesting ways teams attempt to apply them and interpret results. I can never remember this exactly, but there is a good story our Lean Six Sigma team manager often tells about how a large statistical analysis software firm executive describes two key aspects of a project.

When you are collecting and analyzing the problem processes, reading graphs, making discovery and judgments, and developing solutions; he relates that to the work of a crime scene investigator. It is really all about knowing what you are doing technically, ruling out possibilities, getting to a root cause, and identifying solutions.

On the other hand, when it is time to present your results to management, he says you must be similar to a prosecuting attorney often putting on a case for investing thousands of dollars now to save millions over time. Weak and confusing presentations can often discredit months of great Lean Six Sigma work. Executives often care little about multiple presentation slides of complex graphs from statistical packages even though the Black Belt or Green Belt practitioner will carry great pride in his or her proper use of a critical analysis tool.

Lean Six Sigma presentations are not unlike any other displays of information for discussion. We must work very hard to consider practical concerns of the audience. Although the "devil may be in the details", it is okay to leave him there and put more effort into your interpretation as to what must now be done to realize those bottom-line savings. You did promise them at the beginning of your project...



Working safely may get old, but so do those who practice it.

~Author Unknown

P.S. - Promoting safety is never a 9 to 5 job!

QUALITY MANAGEMENT Organizations and Awards - from Wikipedia

The [International Organization for Standardization's ISO 9001:2008](#) series describes standards for a QMS addressing the principles and processes surrounding the [design](#), [development](#) and delivery of a general [product](#) or [service](#). Organizations can participate in a continuing certification process to ISO 9001:2008 to demonstrate their compliance with the standard, which includes a requirement for continual (i.e. planned) improvement of the QMS.

The [Baldrige Performance Excellence Program](#) educates organizations in performance excellence management and administers the [Malcolm Baldrige National Quality Award](#). The Baldrige Award recognizes U.S. organizations for performance excellence based on the [Baldrige Criteria for Performance Excellence](#). The Criteria address critical aspects of management that contribute to performance excellence: leadership; strategic planning; customers; measurement, analysis, and knowledge management; the workforce; operations; and results.

The [European Foundation for Quality Management's EFQM Excellence Model](#) supports an award scheme similar to the Baldrige Award for European companies.

In Canada, the [National Quality Institute](#) presents the '[Canada Awards for Excellence](#)' on an annual basis to organizations that have displayed outstanding performance in the areas of Quality and Workplace Wellness, and have met the Institute's criteria with documented overall achievements and results.

The [Alliance for Performance Excellence](#) is a network of state and local organizations that use the [Malcolm Baldrige National Quality Award](#) Criteria at the grassroots level to improve the performance of local organizations. Browsers can find Alliance members in their state and get the latest news and events from the Baldrige community.

Learn about Best Practices in Supplier Quality here:

http://www.metricstream.com/insights/bestPractices_supqltymgmt.htm

Off the Page ... The Cost of Poor Quality

Learn more at: <http://logistics.about.com/od/qualityinthesupplychain/a/TQM.htm>

The American quality expert, Phil Crosby, wrote that many companies chose to pay for poor quality in what he referred to as the “Price of Nonconformance”. These costs are identified in the Prevention, Appraisal, Failure (PAF) Model.

Prevention costs are associated with the design, implementation and maintenance of the Quality Management system. They are incurred before actual operation, and can include:

- Product Requirements – The setting specifications for incoming materials, processes, finished products/services.
- Quality Planning – Creation of plans for quality, reliability, operational, production and inspections.
- Quality Assurance – The creation and maintenance of the quality management system.
- Training – The development, preparation and maintenance of processes.

Appraisal costs are associated with the vendors and customers evaluation of purchased materials and services to ensure they are within specification. They can include:

- Verification – Inspection of incoming material against agreed upon specifications.
- Quality Audits – Check that the quality system is functioning correctly.
- Vendor Evaluation – Assessment and approval of vendors.

Failure costs can be split into those resulting from internal and external failure.

Internal failure costs occur when results fail to reach quality standards and are detected before they are shipped to the customer. These can include:

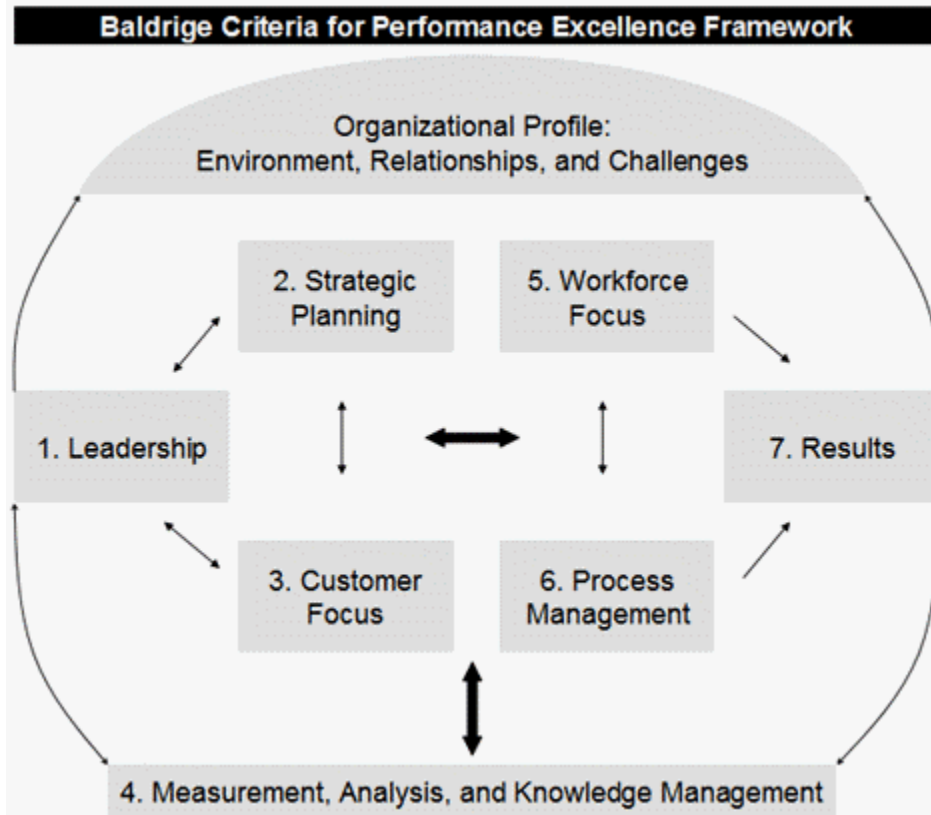
- Waste – Unnecessary work or holding stocks as a result of errors, poor organization or communication.
- Scrap – Defective product or material that cannot be repaired, used or sold.
- Rework – Correction of defective material or errors.
- Failure Analysis – Required to establish the causes of internal product failure.

External failure costs occur when the products or services fail to reach quality standards, but are not detected until after the customer receives the item. These can include:

- Repairs – Servicing of returned products or at the customer site.
- Warranty Claims – Items are replaced or services re-performed under warranty.
- Complaints – All work and costs associated with dealing with customer’s complaints.
- Returns – Transportation, investigation and handling of returned items.

Baldrige Criteria for Performance Excellence

The Baldrige Criteria for Performance Excellence provide a systems perspective for understanding performance management. They reflect validated, leading-edge management practices against which an organization can measure itself. With their acceptance nationally and internationally as the model for performance excellence, the Criteria represent a common language for communication among organizations for sharing best practices. The Criteria are also the basis for the Malcolm Baldrige National Quality Award process.



The Baldrige performance excellence criterion is a framework that any organization can use to improve overall performance. Seven categories make up the award criteria:

Leadership – Examines how senior executives guide the organization and how the organization addresses its responsibilities to the public and practices good citizenship.

Strategic planning – Examines how the organization sets strategic directions and how it determines key action plans.

Customer and market focus – Examines how the organization determines requirements and expectations of customers and markets; builds relationships with customers; and acquires, satisfies, and retains customers.

Measurement, analysis, and knowledge management – Examines the management, effective use, analysis, and improvement of data and information to support key organization processes and the organization’s performance management system.

Workforce focus – Examines how the organization enables its workforce to develop its full potential and how the workforce is aligned with the organization’s objectives.

Process management – Examines aspects of how key production/delivery and support processes are designed, managed, and improved.

Results – Examines the organization’s performance and improvement in its key business areas: customer satisfaction, financial and marketplace performance, human resources, supplier and partner performance, operational performance, and governance and social responsibility. The category also examines how the organization performs relative to competitors.

1 Leadership 120

1.1 Senior Leadership 70

1.2 Governance and Social Responsibilities 50

2 Strategic Planning 85

2.1 Strategy Development 40

2.2 Strategy Deployment 45

3 Customer and Market Focus 85

3.1 Customer and Market Knowledge 40

3.2 Customer Relationships and Satisfaction 45

4 Measurement, Analysis, and Knowledge Management 90

4.1 Measurement, Analysis, and Improvement of Organizational Performance 45

4.2 Management of Information, Information Technology, and Knowledge 45

5 Workforce Focus 85

5.1 Workforce Engagement 45

5.2 Workforce Environment 40

6 Process Management 85

6.1 Work Systems Design 35

6.2 Work Process Management and Improvement 50

7 Business Results 450

7.1 Product and Service Outcomes 100

7.2 Customer-Focused Outcomes 70

7.3 Financial and Market Outcomes 70

7.4 Workforce-Focused Outcomes 70

7.5 Process Effectiveness Outcomes 70

7.6 Leadership Outcomes 70

TOTAL POINTS 1,000

- - -

For more info on the Malcolm Baldrige Performance Excellence program, check out:

<http://www.nist.gov/baldrige/>

<http://www.baldrige.com/>

<http://asq.org/quality-press/display-item/index.html?item=P1328>

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**“Quality is free, however -
the management systems that proliferate it are not!”**

- Jay Watson