
Quality Today

By:

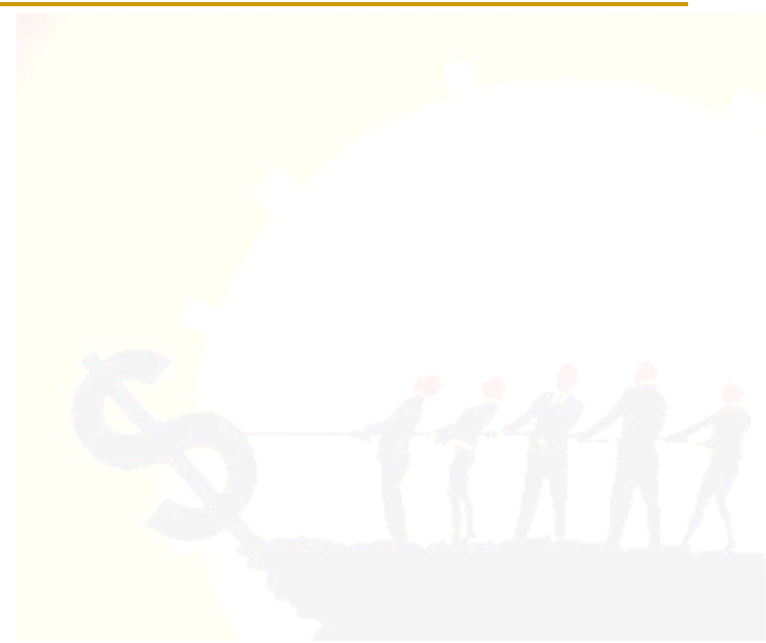
Kamran Shaukat Ali Khan
AVP, Systems Ltd.

Quality Today

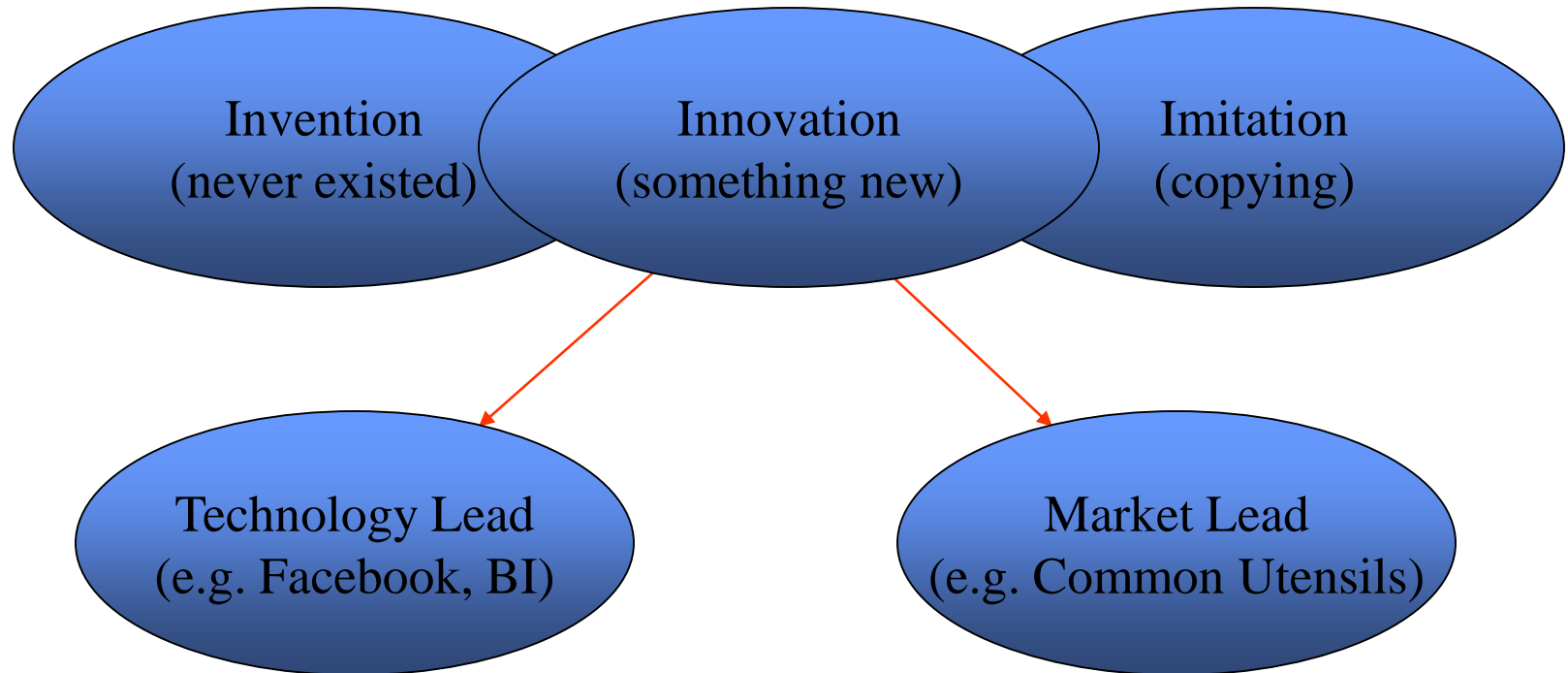
- What is Quality
- Quality Dimensions & Obstacles
- Cost of Quality
- Productivity Enhancement

INTRODUCTION

- Originators of Quality?
- Why Quality (Significance)
- ...
- An important determinant of business profitability
- Positively & significantly related to higher return on investment



Why Quality...?



An innovation happens to CREATE or SERVE the market NEED

Quality Today

- **What is Quality**
- Quality Dimensions & Obstacles
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Definitions

- Conformance to Specifications
- Conformance to Standards
- Freedom from defects
- A Degree of Excellence
- Fitness for intended Purpose/Use

Definitions

- Customer Satisfaction



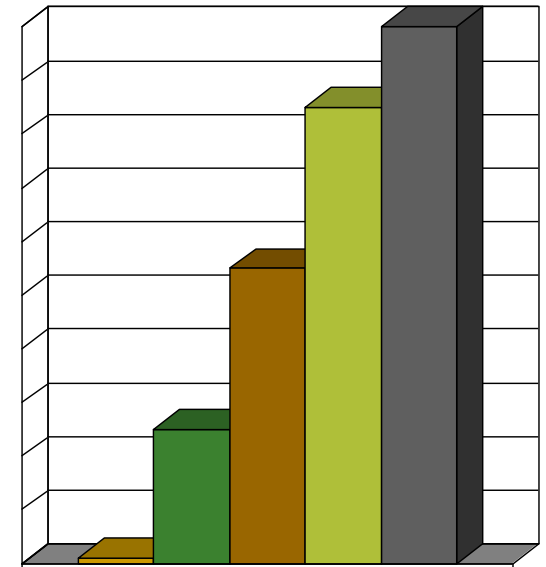
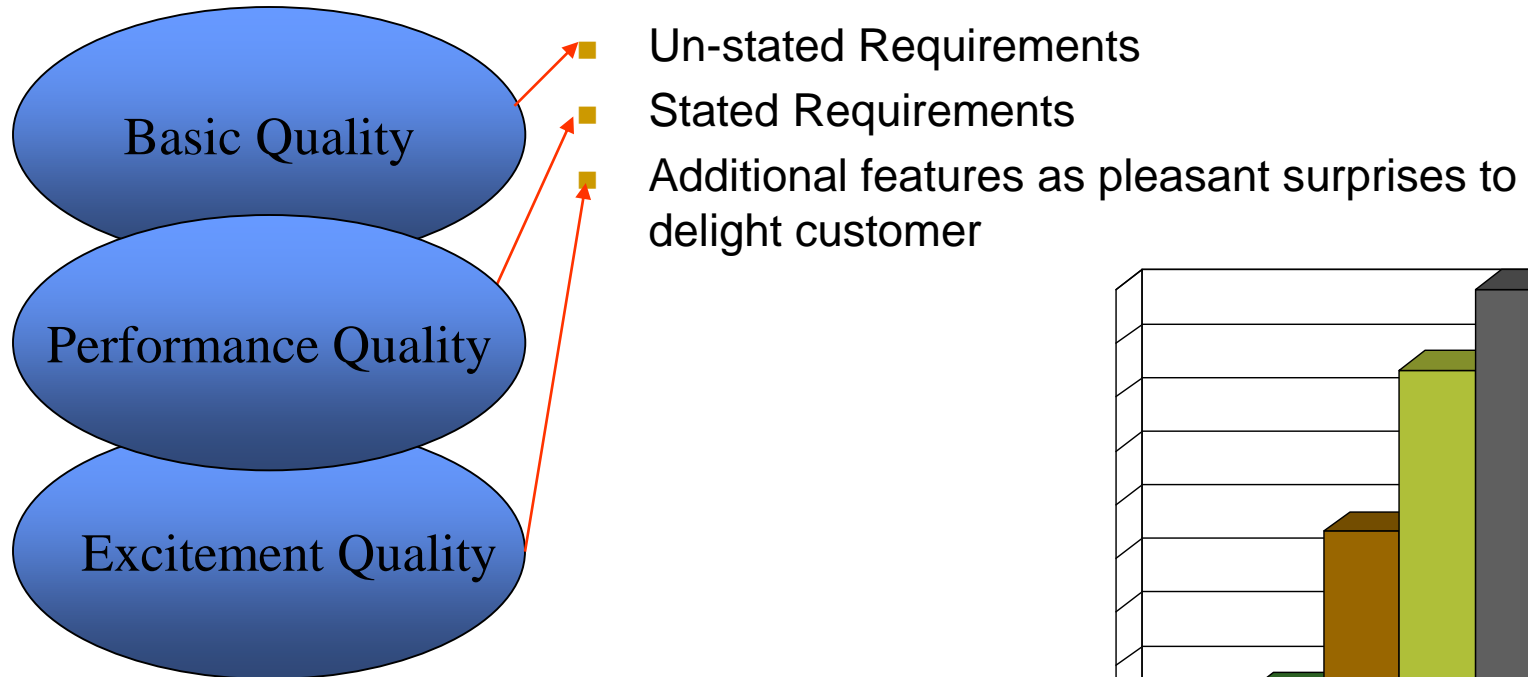
- Quality is the totality of characteristics of an entity that bears on its ability to satisfy the stated or implied needs.

Definition:

- Customer Delight



More About Quality



Basic Quality & Excitement Quality are both UNSPOKEN

What to do ?



Satisfy the internal as well as external customers

Empower Rather than Controlling subordinates

Emphasis on Improvement rather than Maintenance

Encourage Collaboration rather than competition

Emphasis: Prevention is better than Detection

Train & Coach rather than supervise

Strong Commitment to Quality

Learn from Problems (PDSA)

Prefer Quality over Price

Communication Improvement

Recognize Team Effort

Establish a System

...and a whole lot more!!

Dimensions of Quality – Gravin

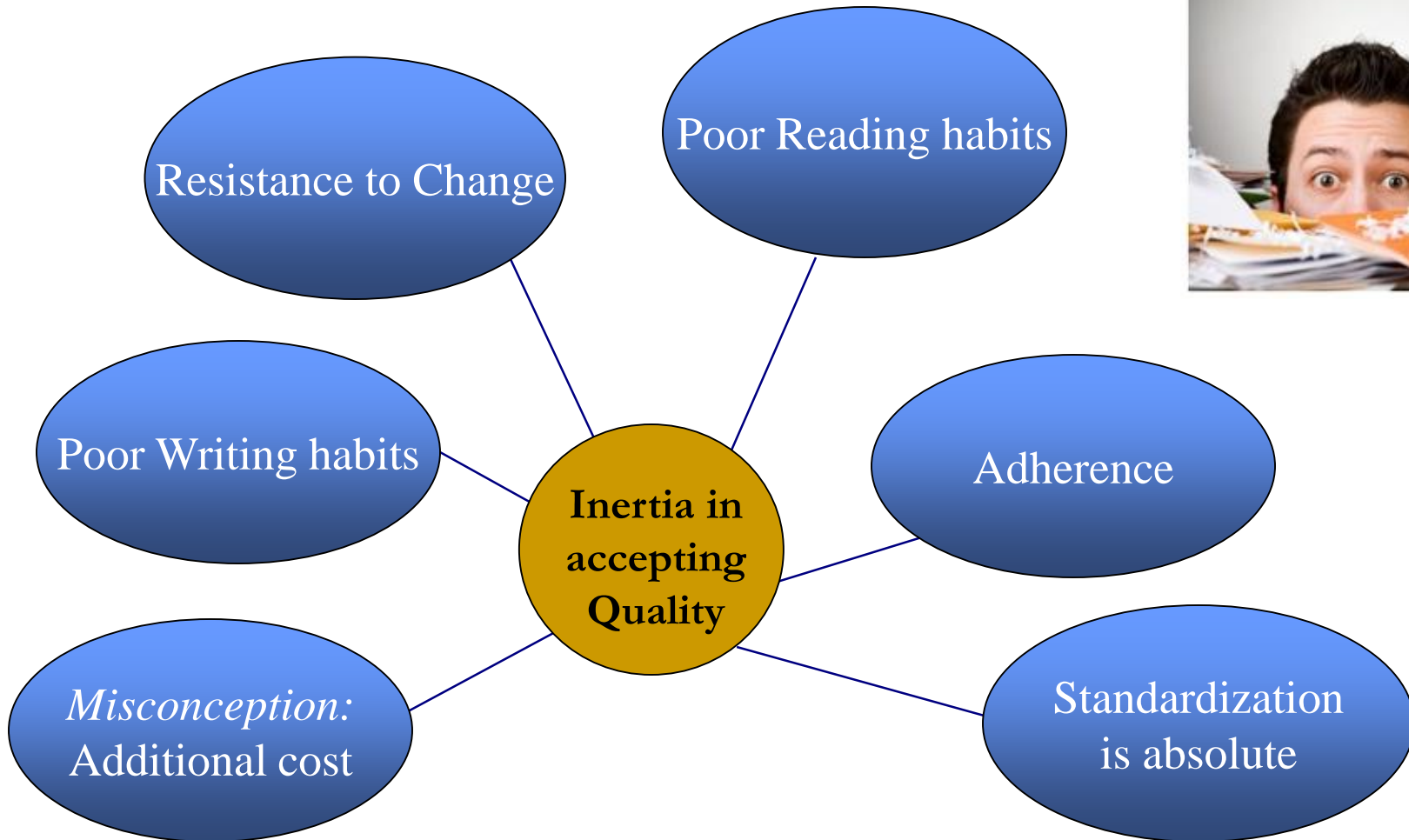
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“There are so many colors in the rainbow,
So many colors in the morning sun,
So many colors in the flower,
and I see every one”
-Harry Chapin

CMM
formance
t/service
behavior
time etc.
g things
tising

Obstacles to Quality



Different hindrances in achieving Quality

Rehabilitation and Cultural Change

The Clues are there!

- Official Lifestyle Change (+ve)
 - Top Management Involvement
 - Instill the importance of Quality (Quality Circle)
 - Everyone's responsibility
 - Concept of Internal & External customers
- Quality at source (Reduced Inspection)
- Focus on using Strength rather than weaknesses
- Quality consistency (high priority rather than level of output)

Trainings for fresh
“Train the Trainer”

[Individual Development](#)



Strategic Implications of QMS

- Quality is key to effective strategy
- Clear strategic goal, vision, mission
- High quality goals
- Operational plans & policies
- Feedback mechanism
- Strong leadership



Quality Today

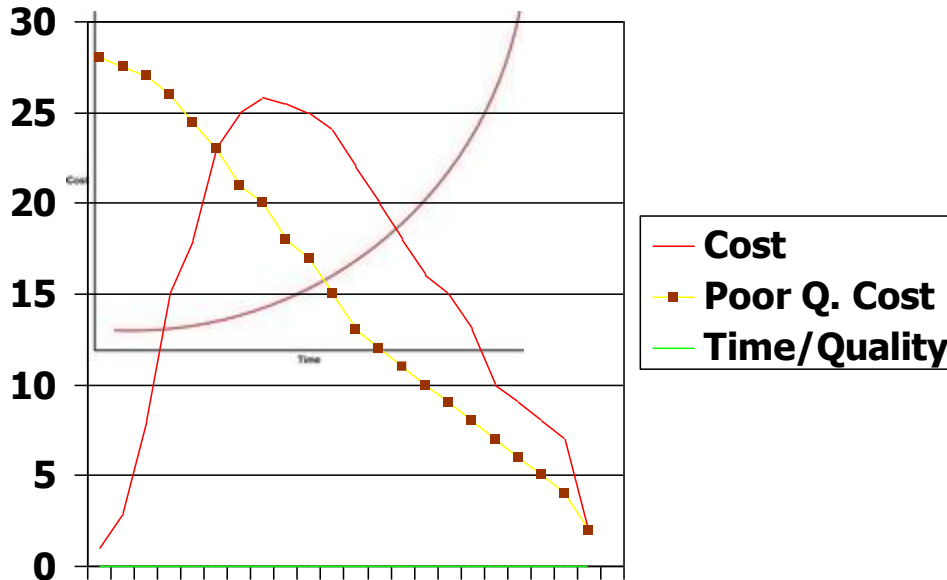
- What is Quality
- Quality Dimensions & Obstacles
- **Cost of Quality**
- Productivity Enhancement

Cost of Quality

- Cost of achieving good quality
 - Prevention
 - Appraisal
- Cost of poor quality
 - Internal failure costs
 - External failure costs



Quality is Free – Crosby:1950



- Myths
 - High Cost
 - Overhead
 - Wastage of Money

Preventing: Cost of poor quality

- Prevention Cost
- Appraisal Cost
- Internal Failure Cost
- External Failure Cost

Quality Index Example

| <u>Quality Costs</u> | \$ | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------|----|-------------|-------------|-------------|-------------|
| Prevention | \$ | 27,000.00 | 41,500.00 | 74,600.00 | 112,300.00 |
| Appraisal | \$ | 155,000.00 | 122,500.00 | 113,400.00 | 107,000.00 |
| Internal failure | \$ | 386,400.00 | 469,200.00 | 347,800.00 | 219,100.00 |
| External failure | \$ | 242,000.00 | 196,000.00 | 103,500.00 | 106,000.00 |
| <u>Total</u> | \$ | 810,400.00 | 829,200.00 | 639,300.00 | 544,400.00 |

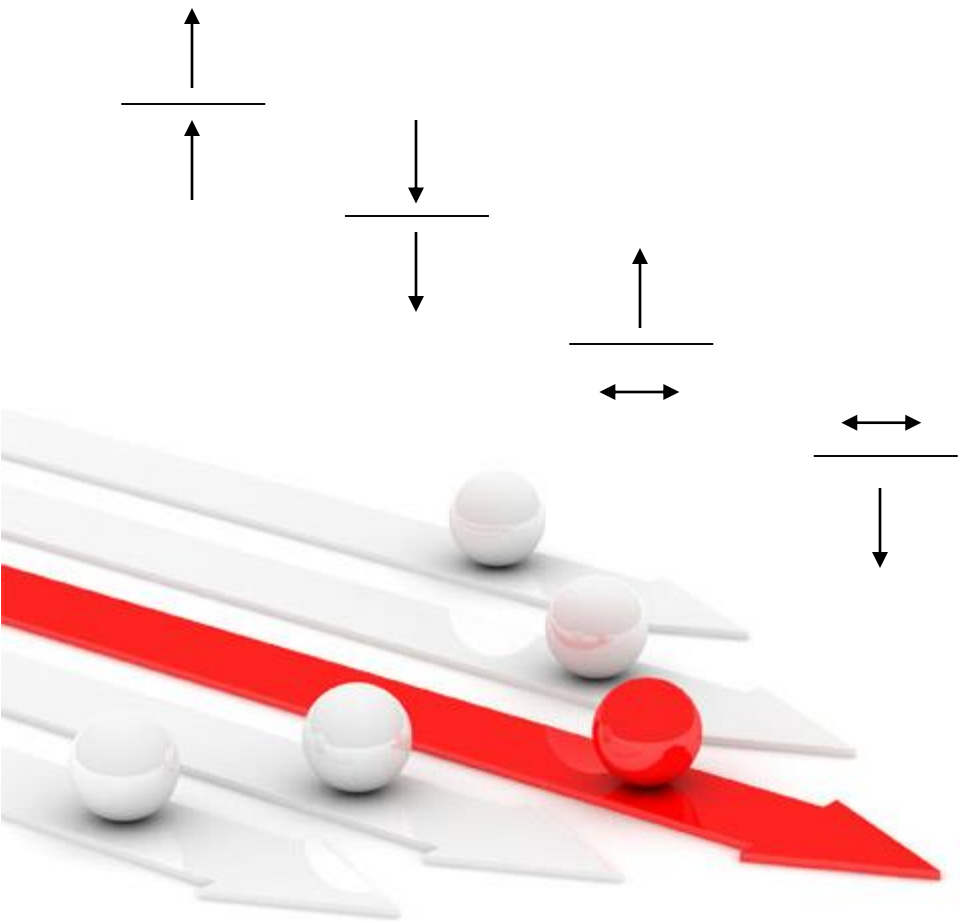
Accounting:

| | | | | | |
|------------|----|--------------|--------------|--------------|--------------|
| Sales | \$ | 4,360,000.00 | 4,450,000.00 | 5,050,000.00 | 5,190,000.00 |
| Mfg. Costs | \$ | 1,760,000.00 | 1,810,000.00 | 1,880,000.00 | 1,890,000.00 |

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- **Productivity Enhancement**

Productivity Enhancement Techniques



How Should I...?

Adjusting Perceptions...

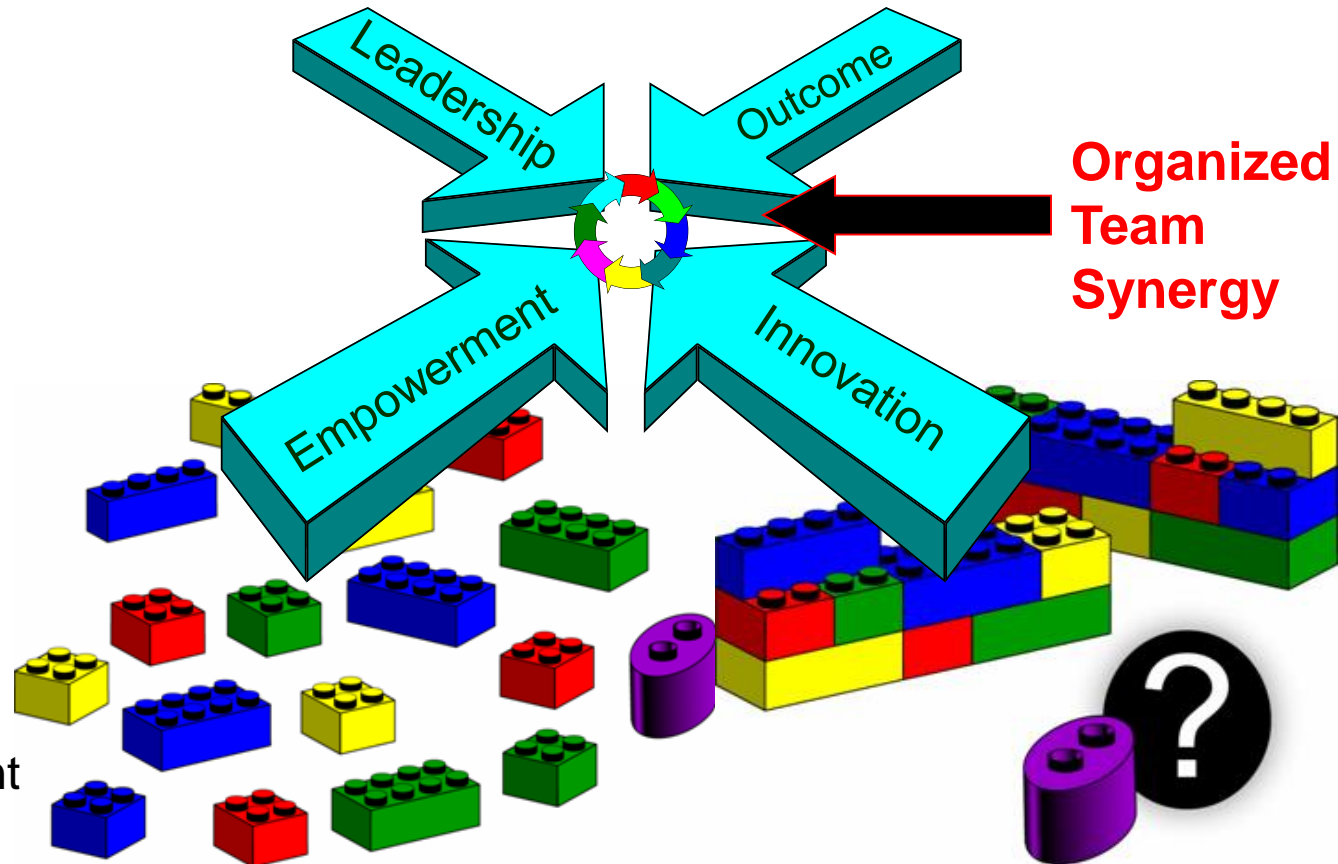
Commitment

Continuous Improvement

No Expectation of Quick Reward

Enabling Vs. Restricting

- Walk the talk
- Persuasiveness
- Positive Influence
- Good Communication
- Positive Role Model
- Balanced Commitment



Customer value Analysis (CVA)

■ Issues in hand:

- ❑ Understand your Customer
- ❑ Identify customers' needs
- ❑ Continuous communication with your customer



■ Customer Value Analysis:

- ❑ Determine attributes customers value most
- ❑ Rate the relative importance of Attributes
- ❑ Assess your organization performance against these attributes
- ❑ Let customers Compare these attributes with your competitors
- ❑ Repeat the process periodically

Where to apply QA

- Design
- Process
- Human

- Deming's Philosophy:
 - “inspection with the aim of finding bad ones and throwing them out is too late, ineffective and costly. Quality comes not from inspection but improvement of the process”