

55th EOQ Congress
World Quality Congress
Budapest, Hungary - June 20-23, 2011

"Navigating Global Quality in a New Era"



June 21, 2011 (Tuesday) 55th EOQ Congress

CONCURRENT SESSIONS
KEMPINSKI HOTEL CORVINUS

Tuesday 13:30 – 17:30
Erzsébet tér 7-8, Budapest V.

REGINA BALLROOM II.

Tuesday 13:30 – 15:00

11.1. REPOSITIONING QUALITY FOR MANUFACTURING I.

13:30 – 15:00

Session Chair: *Hans Dieter Seghezzi, University St. Gallen, Switzerland*

13.50 Refocusing Strategic Quality Management to Meet the Global Challenges of the New Era

Michael Kaye, University of Portsmouth Business School, United Kingdom

Marilyn Dyason, National School of Government, United Kingdom

Kaye, Michael (United Kingdom)

Michael Kaye is a Chartered Statistician, Chartered Mathematician, Fellow of both the Royal Statistical Society and the Institute of Mathematics and its Applications. Currently he is Emeritus Professor of Operations and Quality Management, University of Portsmouth Business School, UK.

Professor Kaye's primary areas of research include strategic quality management, statistical process control and design of experiments. He has published over sixty refereed papers in these areas. He acts as a consultant to a wide range of companies, both nationally and internationally in both the public and private sectors. These include IBM, Motorola, Pfizer, National Health Service, the Royal Navy. He has recently developed a programme with the University of Portsmouth addressing the needs of SME's (Small and Medium-sized Enterprises). Professor Kaye has worked within the criminal justice system for the last twelve years, involving large research projects, statistical research and analysis, management training and, more latterly, has been appointed project manager by the Ministry of Justice with responsibility for a large national project aimed at reducing delays in the criminal justice system.

Dyason, Marilyn (United Kingdom)

Marilyn Dyason has a PhD in Strategic Quality Management MBA (Master of Business Administration) and has published widely in this field. She has over fifteen years senior management experience within the public sector, most recently as Chief Executive within the criminal justice system. She acts as adviser and consultant to Government bodies nationally and internationally, including the application of quality management tools and techniques such as Balanced Scorecard, Six Sigma, and the application of quality awards and standards e.g. EFQM Excellence Model and Investors in People (IIP). Dr. Dyason is a senior award assessor and judge for the EFQM Excellence Awards. She acts as an adviser to a wide range of national and international companies in enhancing organisational effectiveness, including criminal justice systems in Holland, Singapore and Northern Ireland, other Government bodies such as Ministry of Defence, as well as multi-national commercial organisations.

She is Member of the Chartered Institute of Quality Assurance, Fellow of the Royal Statistical Society, Member of Chartered Institute of Management, Member of the Institute of Directors. She has significant experience as a Chief Executive in the public sector (criminal justice system) mainly in strategic quality management tools and methods. Currently she is a Government adviser on the application of quantitative quality improvement methods and she is Consultant to the International Consultancy and Leadership Team, UK National School of Government.

Refocusing Strategic Quality Management to meet the Global Challenges of the new Era

Professor Michael Kaye
Emeritus Professor of Operations and Quality Management, University of Portsmouth UK
Dr Marilyn Dyason
UK Government and business leadership adviser

The Quality Challenge: what is it?

- Some companies are responding well to today's economic challenges: quickly identifying and seizing opportunities and some are failing to survive
- What marks out the companies that succeed from those that fail?
- What is the role of quality and what are the implications for the quality professional and other key influencers?

Research Methodology

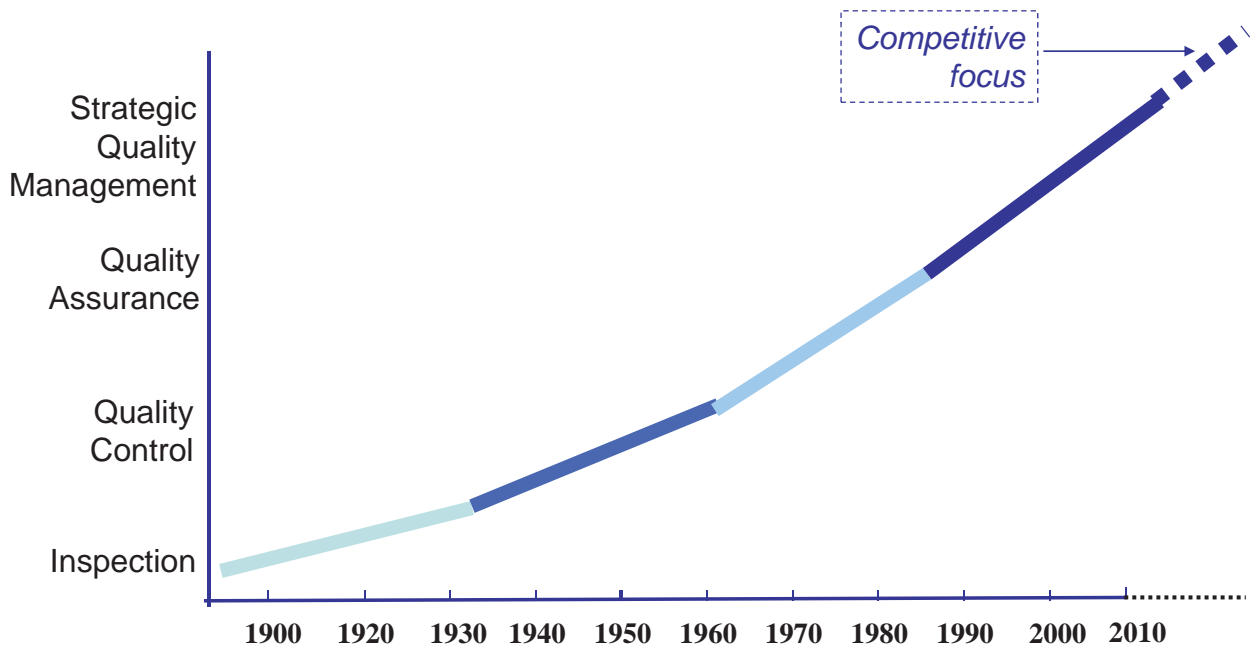
- We are carrying out an in-depth research study into companies to find out how they are re-positioning their quality efforts to meet the global challenges and what can be learned
- Companies are drawn from a wide range of sectors and industries, internationally
- Large and small businesses
- In-depth studies
- Supported by extensive review of economic and environmental reports
- We will illustrate our findings with a case study of one global hi-tech company with which we are working

Emerging findings from our research study....key characteristics identified

- ✓ A greater level of innovation and responsiveness
- ✓ Collaborations and partnerships
- ✓ Customer-centric approaches adopted
- ✓ Relationships strengthened, talent and knowledge management fostered

Many companies are rooted in earlier quality “eras” with resources focused on internal quality issues

The Evolution of Quality



Developing a competitive focus

SURVIVAL → COMPETITIVENESS

Comprehensive long and short term strategic planning

Adaptive planning, monitoring environment and updating

Quality is defined as near perfect product or service

Quality is defined as defining and measuring customer value

Culture of improvement to products and services

Culture of innovation (beyond products and services)

Sound customer base with understanding of customer preferences

Collaboration with others within and outside own industry to meet customers' and potential customers' future needs

Sound financial management

Sound business sustainability strategy



Case study background

- World-class company with reputation for high quality and innovative products
- Excellent research and development facilities and world leader in technological development
- Recent collaborations and partnerships with complementary organisations to strengthen portfolio of products and services



Challenges

- Moving into service consultancy, tailoring products and services to meet customer needs: therefore need to get closer to the customer
- 30,000 global delivery channels requires a pricing structure that is flexible to meet market conditions and responsive (no delays)
- Catch up and leapfrog of IT world: competitors also offer quality products and services: staying ahead of the competition is a challenge




Methodology

- Diagnostic tools® were used by our case study company to identify where and how they needed to reposition their quality strategy.
- These diagnostic tools were developed in partnership with the companies participating in the research study, using an action-learning methodology
- Four “best practice profiles” were produced setting out examples of good practice in each of the key characteristics evidenced in the study.
- The results were used to complete a “capability profile” showing what action needed to be taken to achieve a more competitive quality focus: an example follows of one such characteristic “innovation and responsiveness”

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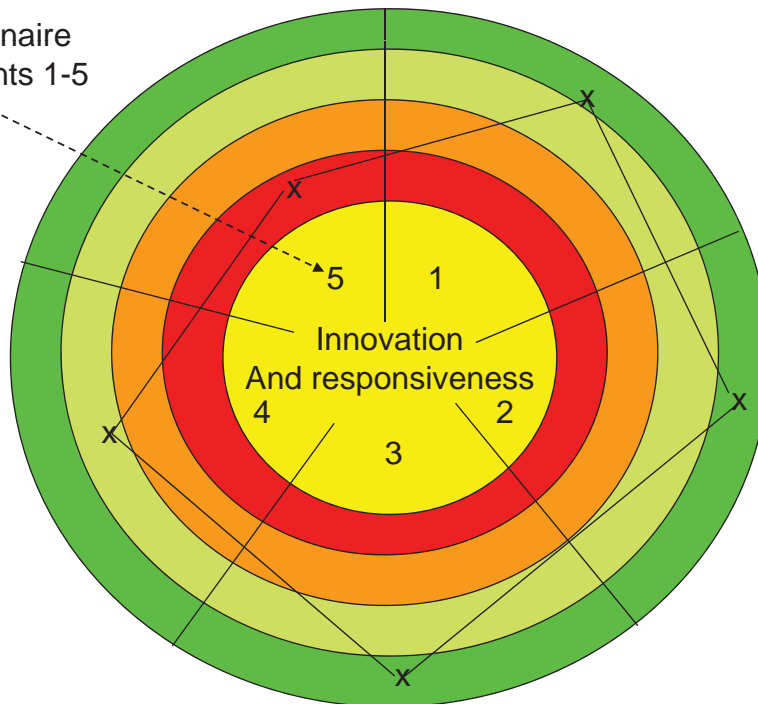
Best practice profile

 Innovation and Responsiveness	Process in place (not fully integrated)	Process implemented (full integration)	process reviewed and improved	Process considered best practice
	A	B	C	D
<ol style="list-style-type: none"> 1. In-house problem-solving to improve quality (mainly departmental) 2. In-house problem-solving (cross-functional) 3. Innovation applied to processes to meet customer changing demands 4. New products and services introduced in response to customer demands 5. Proactively working with customers to design products and services 				



Capability Profile (example)

Questionnaire
Statements 1-5



D	Processes best practice
C	Processes reviewed and improved
B	Processes fully implemented
A	Processes in place but not fully integrated



Results of the diagnostic phase

They needed to take urgent action to

- capture the voice of the customer
- work with suppliers to respond more quickly
- devise a pricing strategy that is flexible and responsive to the customer and market

Otherwise they would not achieve their objectives for growth, nor build on their reputation for innovation by providing a more customised service



Actions taken

- A *gap analysis between channel partners' expectations and experience* highlighted the effort required to recover the company's competitive advantage (using Servqual methodology). Redesigned the process in order to improve delivery.
- An *external benchmarking study* to gain an understanding of the processes involved in “attaching a service to products” e.g. electrical companies selling insurance or warranty, supermarkets special promotions and “points mean prizes”
- Benchmarking with companies such as GE and United Airlines has identified best practices in the area of integrating SPC with strategic planning. Greater emphasis on the use of *SPC for monitoring strategy-related processes* and strategic planning.



Planned outcomes

- Improvements in the relationship with channel partners translated into *increased revenue and improved partner loyalty (reduced turnaround time, simplified approval processes)*
- Implementation of “quick win” process improvements. Achievement of performance target to increase the number of products with “services attached” to 100% (*contribution to growth agenda*)
- Improved capability and sustainability of key strategic processes (such as pricing policy process – identified as the process with most variability and root cause of dissatisfaction)

Emerging roles of the quality professional

Current role

Emerging role

Conformance/compliance	Integrating quality standards into business operations - <i>quality specialist</i>
Improving existing processes and systems – learning for improvement	Focusing on innovation quality, Innovation in the value chain and Proactive learning - <i>quality innovator</i>
Overseeing quality improvement projects	Leading strategic initiatives designed to build in the voice of the customer, coaching others - <i>quality consultant</i>
Developing quality plans	Contributing to strategic plans with suppliers and customers - <i>quality strategist</i>
Trouble-shooting/problem solving (internally)	Organisational development - strategic, holistic - <i>quality generalist</i>