

**55<sup>th</sup> EOQ Congress**  
World Quality Congress  
Budapest, Hungary - June 20-23, 2011

"Navigating Global Quality in a New Era"



**June 22, 2011 (Wednesday) 55th EOQ Congress**

**KEMPINSKI HOTEL CORVINUS  
REGINA BALLROOM**

**Erzsébet tér 7-8, Budapest V.**

**25.1. CLOSING PLENARY SESSION**

**Wednesday 13:30 – 17:00**

**Session Chair:** *Pál Molnár, President of the Hungarian National Committee for EOQ and Professor at the University Szeged, Congress Chairman, Hungary*

**13.30 A Journey to Excellence in Two Organizations**

*E. David Spong, ASQ Board Chair and President (Ret.) Boeing Aerospace Support, USA*

**Spong, E. David (USA)**

E. David Spong retired in March 2004 after a 43-year career in the aerospace industry. During his career he grew from a single contributor in the engineering and technical disciplines to leading large businesses for Boeing Company. His career culminated as president of Boeing Aerospace Support leading this business to a 2003 Malcolm Baldrige National Quality Award for service. Prior to this assignment, as vice president and general manager, Spong led the Boeing Airlift and Tanker Programs to receive the 1998 Malcolm Baldrige National Quality Award for manufacturing. So Spong is the only two-time winner of the Baldrige Award for two different organizations in two different sectors!

Spong is an engineer/scientist by training, he earned a doctorate of science degree in engineering from Washington University in St. Louis, Missouri and master of science in engineering from the University of Missouri at Rolla. In addition to being an ASQ member, Spong is the chair of the Visiting Committee for Advanced Technology for the National Institute of Standards and Technology (NIST), and chairman of the Baldrige Foundation.

# A JOURNEY TO EXCELLENCE IN TWO ORGANIZATIONS

David Spong  
President, Boeing Aerospace Support (Retired)  
1998/2003 Baldrige Recipient

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## WHY AM I HERE?



**MAYBE THIS APPROACH WORKS?**

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# OUR QUALITY JOURNEY

**1991 – 2000**

**Boeing  
Airlift & Tanker  
Programs**

**1998 Baldrige  
Winner**

**2000 to 2004**

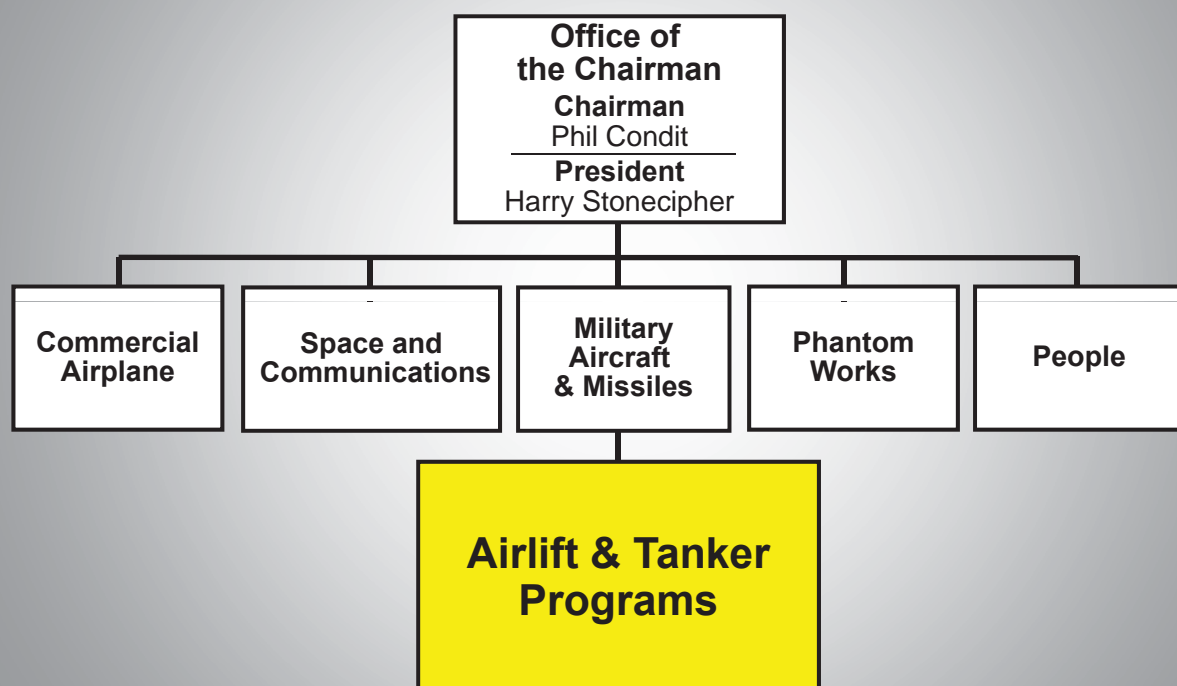
**Boeing  
Aerospace  
Support**

**2003 Baldrige  
Winner**

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# THE BOEING COMPANY



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# STARTING POINTS

	<b>Airlift &amp; Tanker Programs 1998 Recipient</b>	<b>Aerospace Support 2003 Recipient</b>
<b>Organizational Type</b>	Manufacturing	Service
<b>Organizational Complexity</b>	Primarily one program	Complex: Bus./Sites/Functions
<b>Starting Point</b>	Chaos	Stable
<b>Crisis</b>	Yes	Not recognized
<b>Documented Processes</b>	No	Some
<b>Framework</b>	None	Yes
<b>Initiatives</b>	Many	Some
<b>Locations</b>	Primarily one	Dispersed – 130+ locations
<b>Reason for Baldrige</b>	Turnaround	Improvement
<b>Approach to Baldrige</b>	Integrating existing approaches	Overall business model

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# AIRLIFT AND TANKER PROGRAMS LOCATIONS



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# FROM CRISIS TO SUCCESS



**40 and No More ...  
Unless We Perform  
1992**

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# FROM CRISIS TO SUCCESS



**40 and No More ...  
Unless We Perform  
1992**

**National Quality  
Award Winners  
1998**

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## “THE LAW OF CHANGE”

### The Law

If you always do what you have always done you will get what you have always gotten!

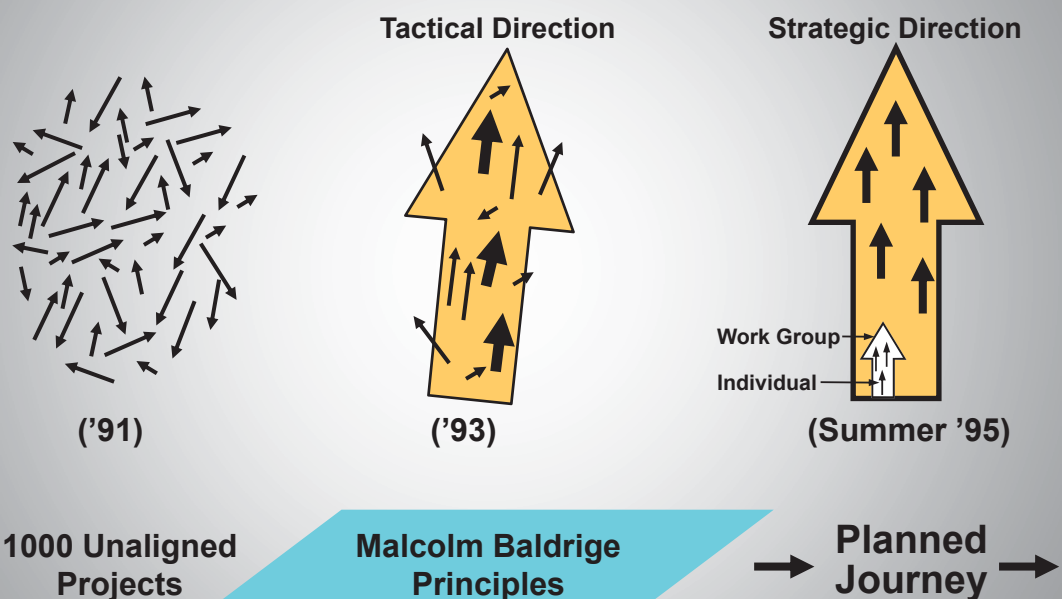
### The Corollary

If you want a different outcome, you must change either the process, the product, or both.

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## ALIGNING THE FOCUS



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## REINVENTED RELATIONSHIPS WITH CUSTOMERS



**One Team Committed to Program Excellence**

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## Customer Satisfaction Model



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# PROCESS MANAGEMENT

## AN APPROACH TO...

- Cover everything we do
- Manage and improve through a single, disciplined approach
- Empower Owners

### 1.0 Enterprise Management

Program Core Process Family

2.0

3.0

4.0

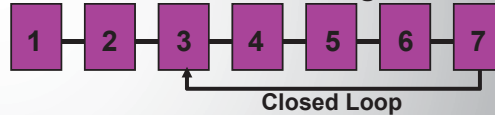
5.0

6.0

7.0

### 8.0 Support and Services

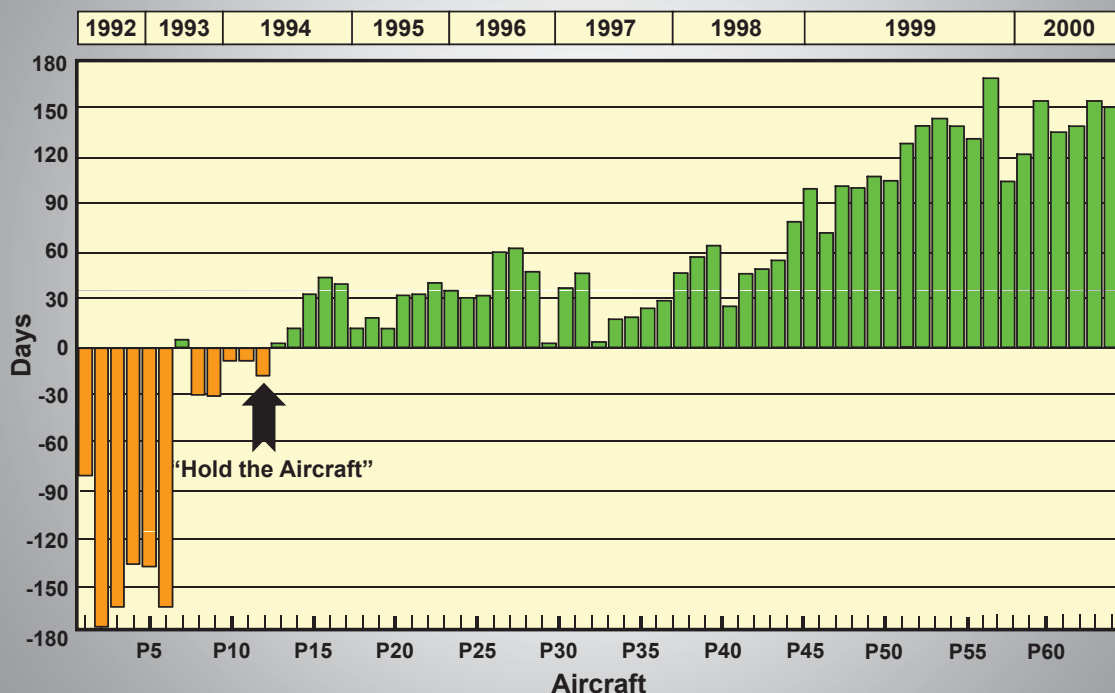
#### Process Based Management



Quality	Timeliness
Efficiency	Cycle Time

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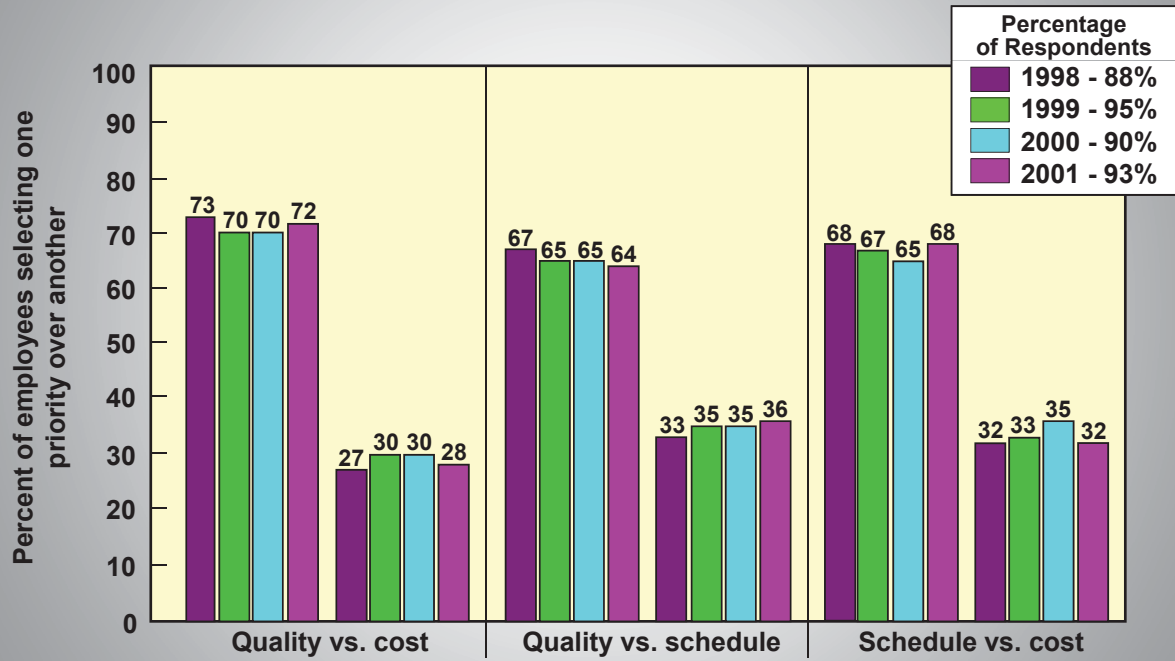
# CULTURAL CHANGE



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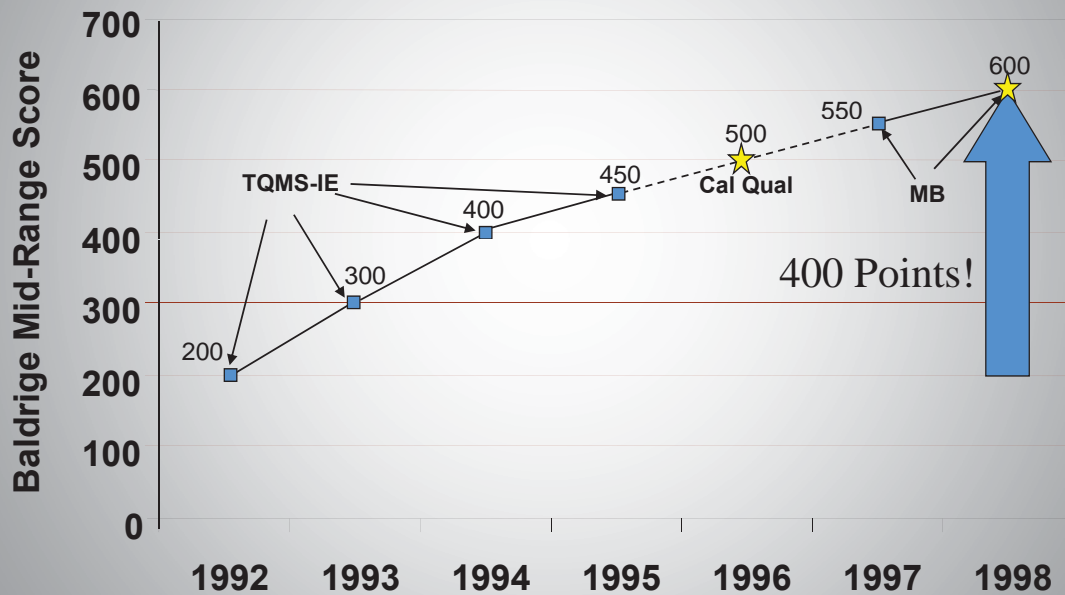


# EMPLOYEES BELIEVE IN QUALITY



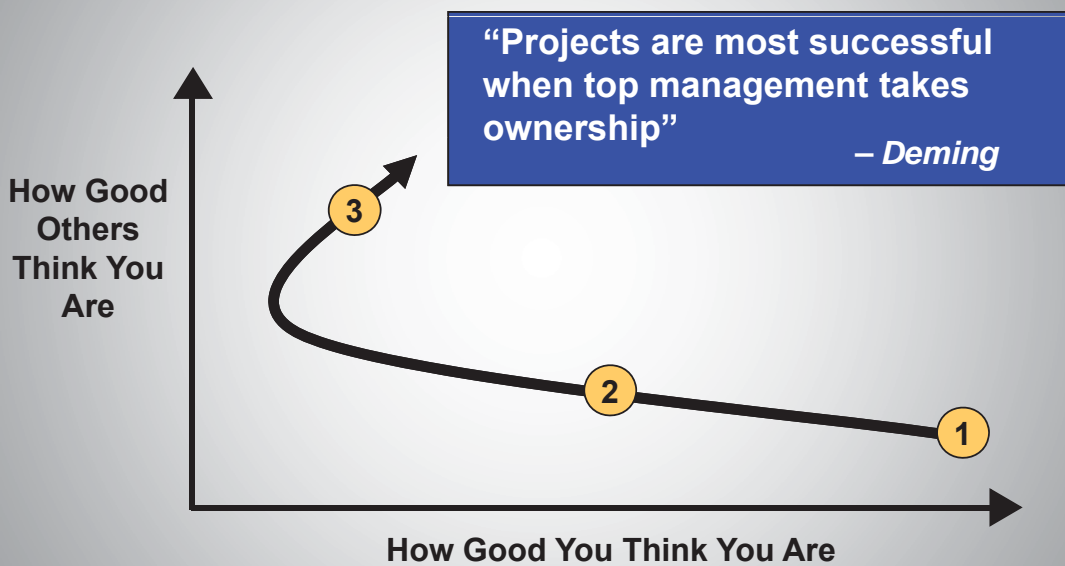
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# AIRLIFT & TANKER IMPROVEMENTS



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# LEADERSHIP REQUIRED



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# THE JOURNEY TO A ZEOLOT

1991...



John McDonnell  
CEO

Launched  
TQMS-IE

1996...



Harry Stonecipher  
CEO

“Go For It”  
MBNQA

Baldrige Internal Assessment (TQMS-IE)  
... Tied to Exec Compensation  
... At each Business Unit

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# THE JOURNEY TO A ZEALOT

1991...



John McDonnell  
CEO

1996...



Harry Stonecipher  
CEO

1998...



Award Ceremony

Launched  
TQMS-IE

"Go For It"  
MBNQA

Baldrige Internal Assessment (TQMS-IE)  
... Tied to Exec Compensation  
... At each Business Unit

And Beyond

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# THE QUALITY JOURNEY

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Boeing  
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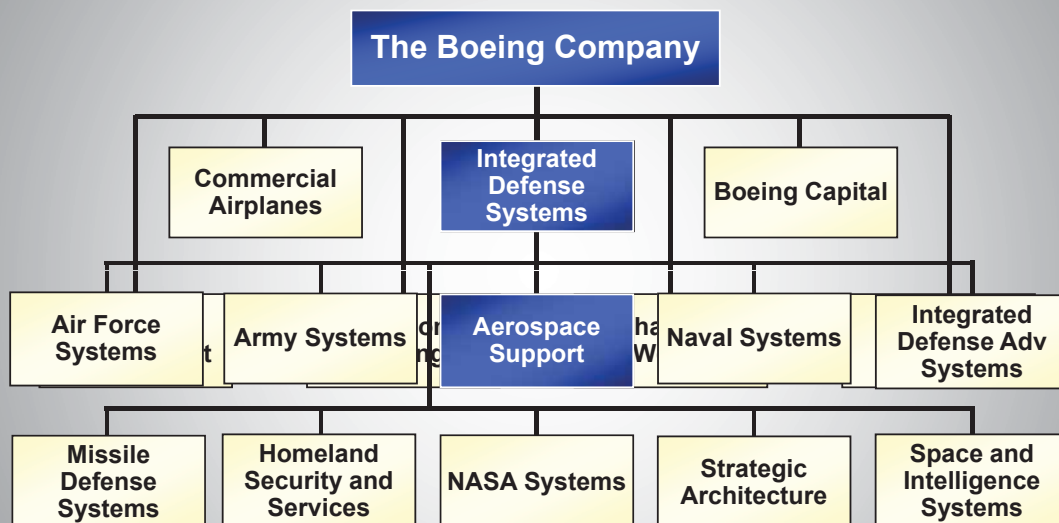
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# ORGANIZATIONAL ALIGNMENT



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## DUAL BUSINESS IMPERATIVE



**Aerospace Support is a fairly new organization with a focus on both running and growing the business**

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## INITIAL FOCUS

- Created a **Leadership System** and **Operating Principles**
- Identified and Deployed Overall Initiatives
  - **Employee Involvement**
  - **Customer Satisfaction**
  - **Process Based Management**
  - **Enterprise Planning Process**
  - **Management by Information**
- **Assigned Executive Champions**
- **Adopted Baldrige Criteria as the Business Model**
- **Assessed the organization by sites and overall**

**Established a culture of excellence and continuous improvement**

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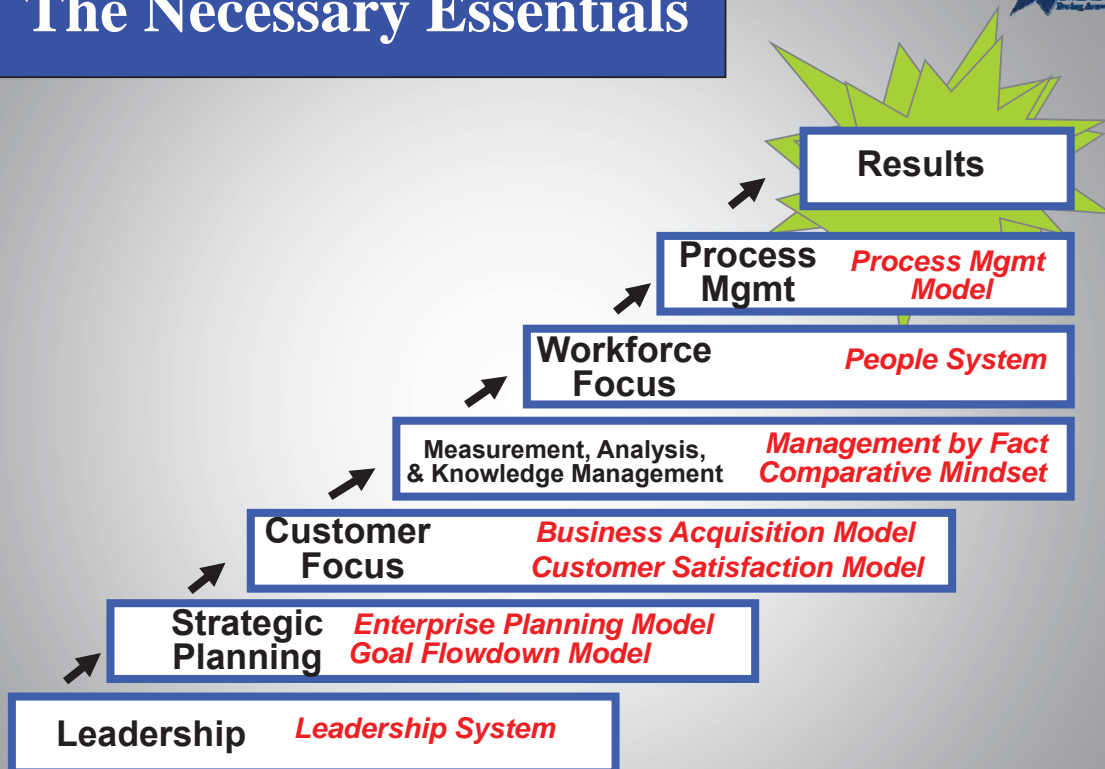
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## The Necessary Essentials



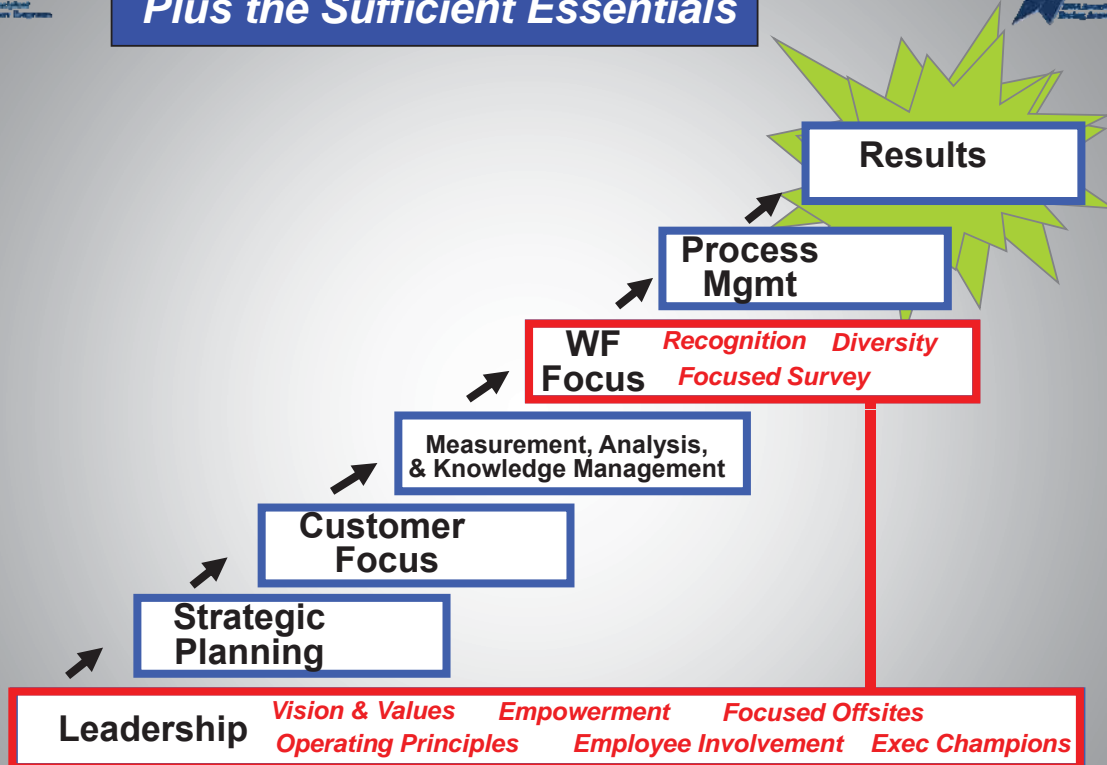
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# LEADERSHIP SYSTEM



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## Plus the Sufficient Essentials



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## MISSION, VISION, AND VALUES

### **Mission**

*Provide world-class sustainment solutions to our aerospace customers*

### **Vision**

*People working together as the world's number one provider of innovative sustainment solutions*

### **10 Year Objective**

*We will be a recognized world-class, global business, providing sustainment solutions aligned with our customers' evolving needs*

### **Values**

Leadership

Integrity

Quality

Customer satisfaction

People working together

A diverse & involved team

Good corporate citizenship

Enhancing shareholder value

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## OPERATING PRINCIPLES

- We insist on integrity, first and foremost
- We tell it like it is
- We communicate openly and candidly in all our dealings
- We respect, honor, and trust one another
- We work toward consensus
- Disagreement is healthy and encouraged, but once a decision is made, we proactively support it
- We have one conversation at a time
- Our silence is consent
- We focus on issues and ideas rather than titles or personalities
- We actively listen and question to understand
- We do not attack the messenger
- We identify clear objectives and expectations for our meetings
- We start on time, observe time limits, and end on time
- We praise in public, we coach in private
- We have a bias for velocity

***Have Fun. . . Enjoy the journey and each other***

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# EMPLOYEE INVOLVEMENT (EI)

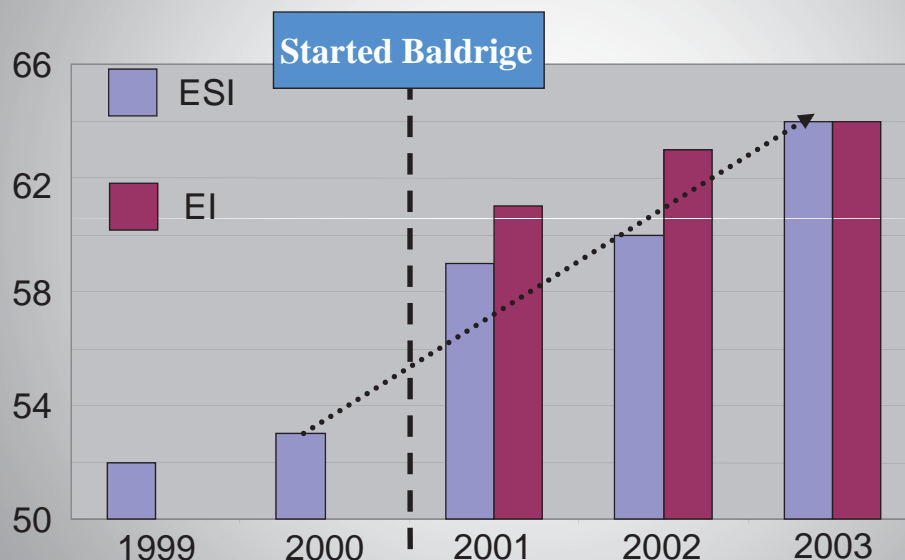
- Is it a Culture?
- Is it a Belief?
- Is it a Way of Life?
- Is it Teams?
- Is it Belonging?
- Is it a Process?

***"It is not a new program, project or process. EI is a cultural change in the way we treat each other and work together. It is a journey in which people apply their skills to improve individual, team and organizational performance continuously. This leads to employee satisfaction and improved business results."***

*Raj Kanungo*

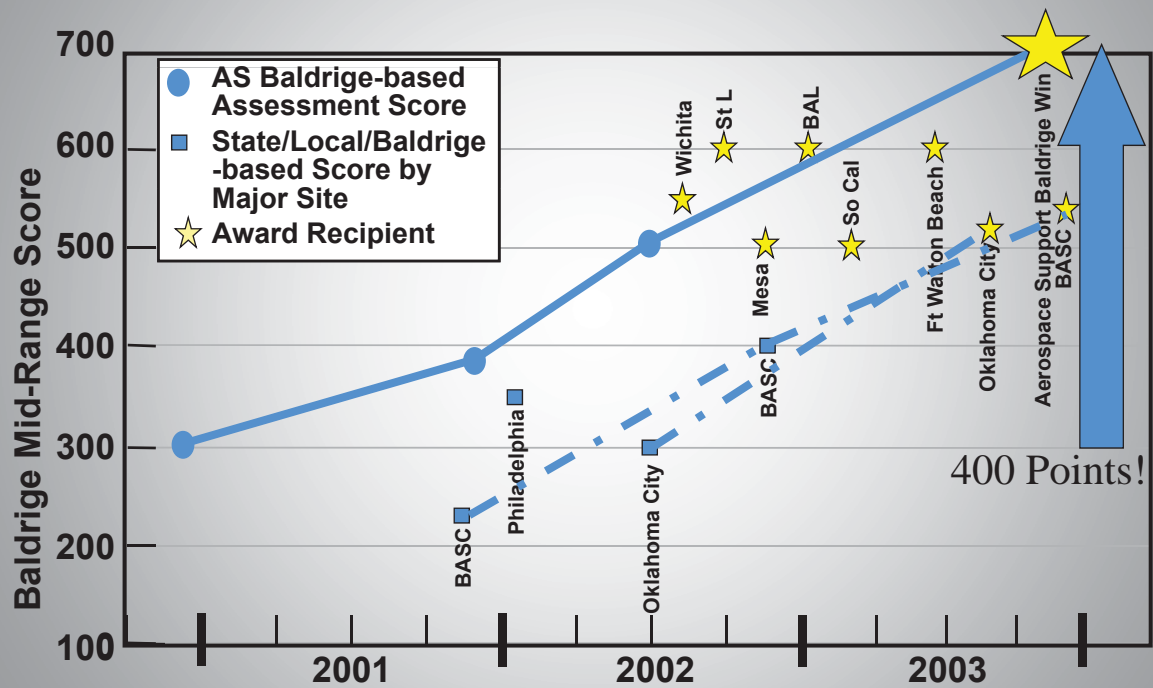
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## Boeing Aerospace Support's employees are more motivated



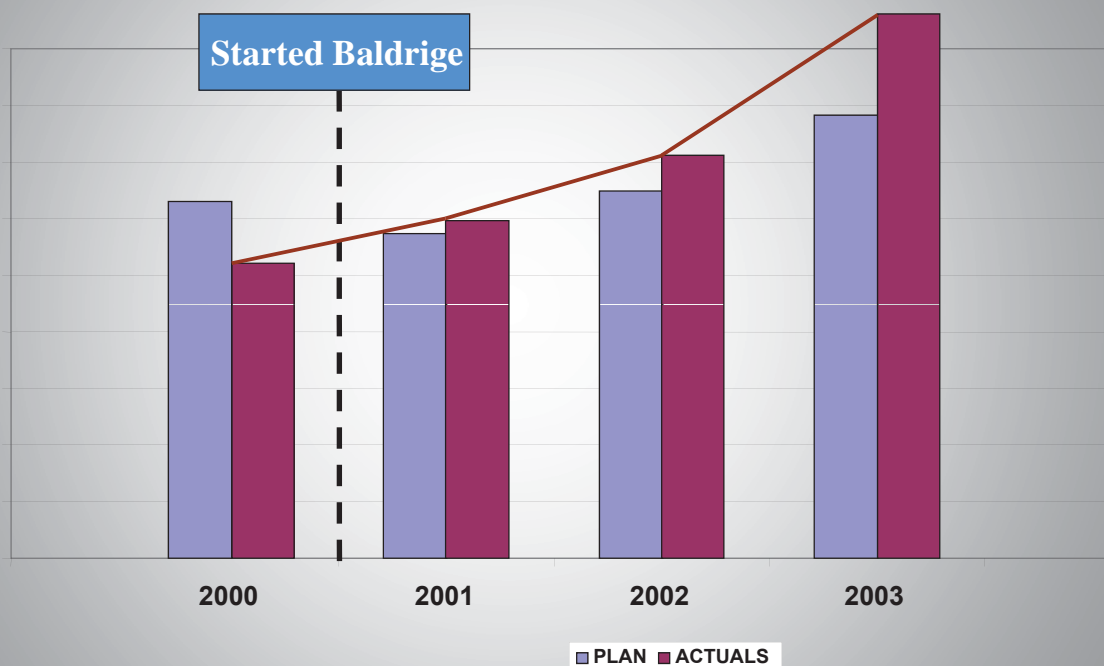
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# AEROSPACE SUPPORT IMPROVEMENTS



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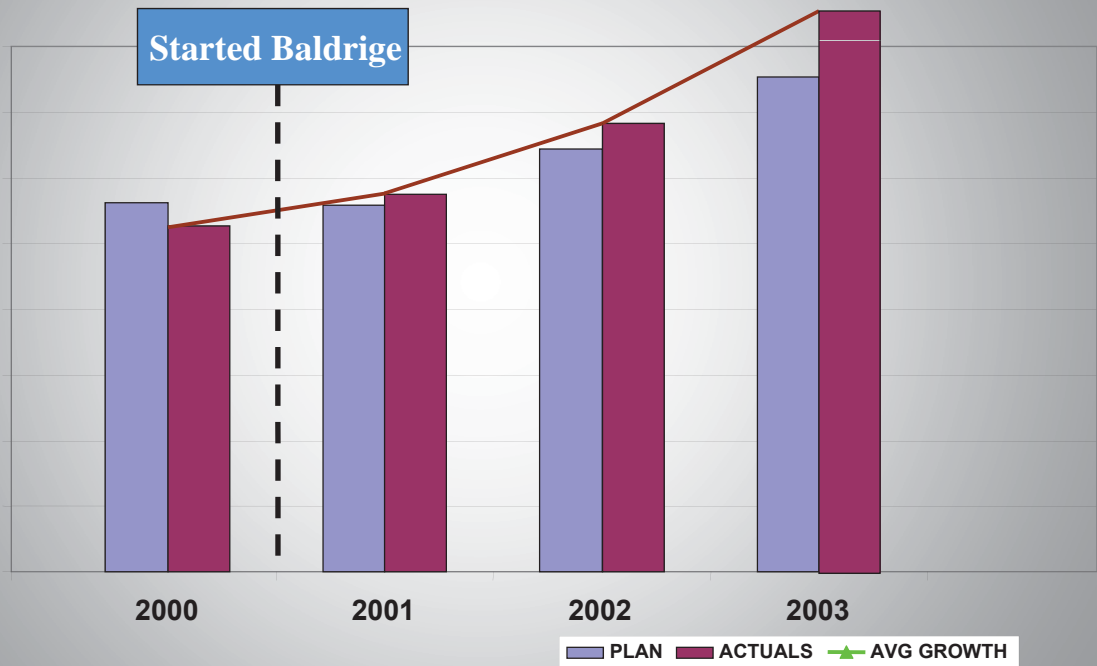
# AS EARNINGS PERFORMANCE



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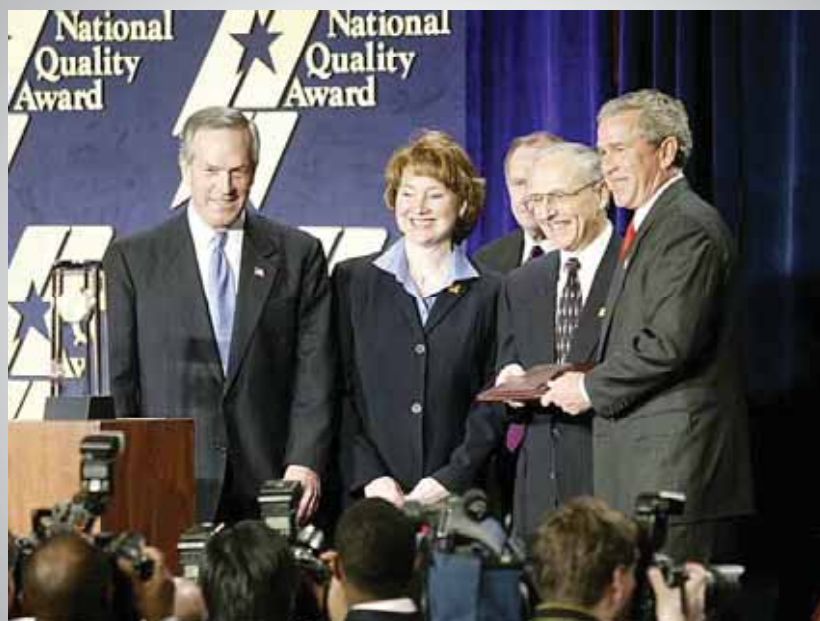


# AS REVENUE PERFORMANCE



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# WE DID IT AGAIN!



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# Summary



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# Summary

Motivated Employees  
"Smells Good"

Business Results  
"Taste Great"

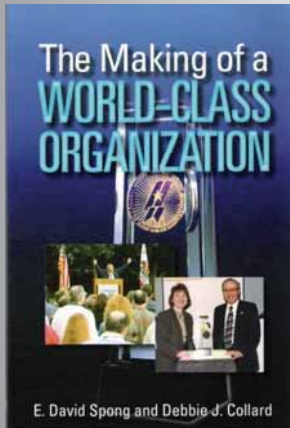


Turn up the heat!

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# Where Do You Go from Here ?

## The Making of a World-Class Organization *E. David Spong and Debbie J. Collard*



□ Using a unique blend of stories, tips, charts, and tables that can be adapted to any organization, this book shares the stories, wisdom, and “silver bullets” gained by two divisions of the Boeing Corporation as they won the Malcolm Baldrige Quality Award. The “silver bullets” are the kernels of management wisdom that set this book apart and provide the simple insights that anyone can adopt. This book uses a systems perspective to provide solutions that will inspire leaders to champion such approaches, while also providing tried and true details and “how-to” applications to the in-house practitioners and consultants.

Whether you are looking for tools and techniques to make your organization and processes more effective, or you are starting from scratch, this book provides you with a set of proven approaches to achieving excellence. The insights into excellence and the Baldrige journey that Spong and Collard have mastered have allowed their organizations to celebrate with great processes, loyal customers, engaged employees, high quality products and services, and significant profitability.

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