



HOW DO FIRMS ENSURE QUALITY?



Quality Control
Total Quality Management
Benchmarking
Quality Circles

What is Quality?

Physical
Appearance

 Ferrari world

Durability

Reliability

Special
Features

Reputation

Image

CHANEL

Suitability

AFTER SALES
SERVICE

Why is it important?

- Consumers are more aware
- Magazines publish reports
- Consumers have higher expectations
- Legislation
- Competition forces improvement
- Part of Kaizen and lean production

WHICH?

Quality Control

In the Production Dept

- Production Department ensures that products
 - Satisfy consumer needs
 - Work under the conditions they will face
 - Can be produced cost effectively
 - Can be repaired easily
 - Conforms to safety standards

3 STAGES OF QUALITY CONTROL

1. Identify standards and set targets
2. Monitor standards – test products
3. Respond to findings

The Kellogg's logo is displayed in a stylized, red, cursive font. It is centered within a white rectangular box that has a thin purple border. The logo is flanked by two horizontal red bars.

1. Remove a sample of cereal every half hour
 2. Test 50 samples twice a day
 3. Compare sample with the perfect product
 4. Grade given: 1-10 where 10 = perfect
 5. 7-10 = pass
- **TRADITIONAL METHOD OF TESTING THE COMPLETED PRODUCT =**

Facts about Quality

- 1/3 of all effort in British business is wasted in correcting errors
- £4 billion is spent on this
- Obvious benefits of getting it right first time and not after the fact



THE MODERN APPROACH

**TEST PRODUCT DURING
PRODUCTION TO PREVENT
FAULTS AND POOR QUALITY**

TOTAL QUALITY MANAGEMENT



TQM

What is TQM?

- A method designed to prevent errors and poor quality products
- The business ensures that the manufacturing process is investigated at every stage
- Success of Japanese companies based on this
- 100% of the organisation must be involved

Quality Chains

- In order to produce quality goods you must have
 - Quality suppliers and raw materials
 - Quality administration systems
 - Quality equipment
- These elements make up a quality chain



Company Policy

- There will only be improvement if there is a company wide policy
- TQM must start at the top and spread through the business
- People must take pride in their job
- Everyone is accountable for their own performance



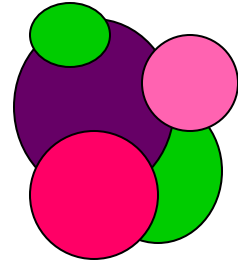
TQM AND MOTIVATION

- Teamwork is the most effective way of solving problems
- **ADVANTAGES ARE:-**
- Employee morale is often improved
- Problems are better dealt with
- A greater variety of problems can be dealt with in teams
- Team ideas are more likely to be accepted

USING TQM

- TQM helps companies to
- Focus on the needs of the consumer
 - Achieve quality in all aspects of the business
 - Analyse all processes and remove waste
 - Develop a team approach to problem solving
 - Develop effective procedures for

QUALITY CIRCLES



- Small groups of staff, usually from the same work area, who meet on a regular and voluntary basis
- They attempt to solve problems
- No discussion of other issues –just quality
- Must fulfil certain conditions
- Used in all Honda plants

QUALITY CIRCLES

- A steering committee should be set up to oversee the programme
- A senior manager should chair the committee
- Team leaders should be properly trained
- Workers from various levels should be present

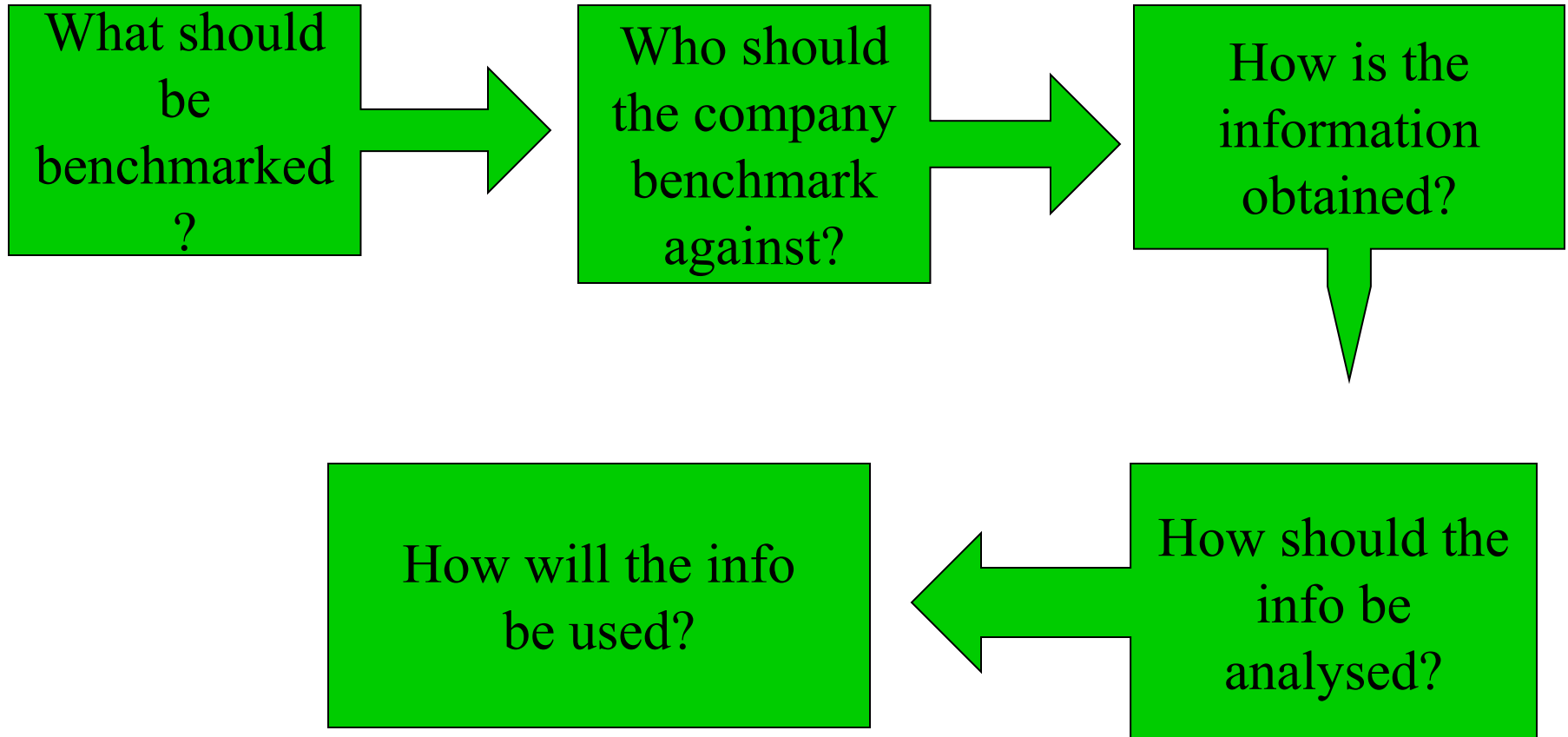
Problems with TQM?

- Training and development
- It will only work with 100% commitment
- Increased paperwork due to regular audits
- Cost – design and development, monitoring, cost or trying again if system fails.

BENCHMARKING

- BPB – Best Practice Benchmarking
- A technique used by some businesses to help them discover the ‘best’ methods of production and adopt them.
- Find the best company
- Analyse their methods
- Equal their standards

The steps:-



QUALITY STANDARDS

- BSI Kitemark



The Kitemark

Tested
and
Trusted.

- Investors in people

- Scottish Tourist Board stars

- AA/RAC

- Lionmark



- Woolmark



- Marks that show a product has met a certain standard

Benefits

- Fewer complaints received
- Loyalty from customers
- The customer places trust in the company
- Premium price can be charged
- See notes