

Creating Alignment with the Leadership Team Part 8

OBSESSION FOR QUALITY

Last month we discussed how standardization impacts our effectiveness with regards to being Process Centered. Standardized tasks lay the foundation for continuous improvement and employee empowerment. This month and next month we will present the importance of having an Obsession for Quality.

In the 1950's and 1960's, W. Edwards Deming helped fuel the quality revolution in Japan. That same revolution eventually made its way to the US. However, it was twenty years later before US manufacturers took notice of this way of thinking. The old mindset was to build sub-quality products which customers had to buy since there were no other options. The message being taught by Deming at the time was promoting an Obsession for Quality. The main premise: quality should drive all our decisions, and all other parts of the business are subservient to quality. We must have the mindset to get the job right rather than just getting the job done. This new mindset was hard for US manufacturers to embrace in the beginning since it meant fewer products would be sold due to higher quality standards (meaning products would last longer). The immediate impact to the business was a net loss in sales. The manufacturers failed to realize the long term cost benefits of having quality processes and products which, in turn, drive the overall cost down, thus allowing for a larger market for their products.

THE SCIENCE OF QUALITY

This revolution fueled what we will call the science of quality. There has been much focus on the science of quality (FMEA, Control Plan, MSA, etc...). However, few companies have truly embraced the culture of quality. To build that culture of quality, we must do the following:

- Stop to fix problems.
- Believe that quality for the customer drives value.
- Build into the equipment the capability to detect problems and stop automatically whenever a problem occurs.
- Develop a visual system to alert leaders that a machine or process needs assistance.
- Build into the organization support systems to quickly solve problems and implement countermeasures.
- Build into your culture the philosophy of stopping or slowing down to get quality right the first time in order to enhance productivity in the long run.

ESTABLISHED PRIORITY

As we move toward this new mindset, our dedication to the mindset will be tested. There will be constant pressure to make decisions related to quality, cost, safety and delivery. Sometimes there will be intense internal conflict when determining which one of the four areas takes priority. Dealing with intense internal conflict will require the following prioritization. Safety is always first, Quality second, Delivery is third, and Cost is fourth. Cost and Delivery can be debated, but Safety is always first since there is no improvement worth personal injury. If, at the end of the work day, we can't



release people who are the same or better than when they arrived, we have no business working with people. Quality is always second since Quality drives Cost and Delivery. We are not just referring to product when discussing quality. We are referring to the quality of the Product, People (a reflection of our recruiting, screening, hiring, onboarding, training and retention processes; not the people themselves) and Processes. Process quality is what we can do to reduce waste, whereas variation in building the product and product quality is determined by the customer.

CUSTOMER FOCUS

Believe it or not there are still high level leaders in manufacturing who believe that if a product is built to print, then that product is good regardless of what the customer says. This might have worked in the past, when there weren't as many choices for products. However, in today's highly competitive landscape, what the customer thinks and feels does matter. I have had some very heated discussions with executives about product quality. Some stand firm in their belief that if the part is to print, the customer has to accept the part. The people who believe this have a stand that is purely a contractual one. We propose that having customers who WANT to do business with us is preferable to having customers who HAVE to do business with us. We should constantly be asking ourselves, "If our customer could do business with anyone else, would they still choose us?" This thought also applies to internal support departments supplying products and services to other departments. Don't mistreat your suppliers simply because they are part of the same company!

UPSTREAM MANAGEMENT

We can improve our ability to develop and sustain quality by going upstream to manage processes. Managing upstream requires one to address errors and defects before those errors and defects get to the next process or customer. Ultimately, we want to go back into the design of processes and products to anticipate and prevent problems before they occur. The best way to improve the overall quality of the product is to constantly improve the quality of the process used to build it.

GEMBA

Many times managers try to solve problems while sitting in the boardroom. I have never seen a problem solved by looking at a spreadsheet. It gets solved when someone decides to go and see for himself/herself in order to thoroughly understand the situation (genchi genbutsu). The only way to really solve problems and improve processes is to go to the source and PERSONALLY observe and verify data. One should think and speak based on personally verified data. Even high-level managers and executives should see things for themselves, so they will have more than a surface understanding of the situation. Data includes what we observe and experience, not what is in the computer or on a spreadsheet. We must build a habit of going to the place where the work is done (gemba) and looking for information we need to make decisions rather than making decisions based upon opinions, guesses or feelings. When we make decisions based on feelings, the highest ranking person in the room typically wins. We call this the HiPPO effect (Highest Paid Person's Opinion). When we make decisions based on data, the person with the data wins. I have personally been humbled many times by line operators who had more data than I. I was happy to concede to the facts. Leaders must analyze and take action based upon data. Always doubt the data if you didn't



personally verify it. We like to borrow Ronald Reagan's famous quote, "Trust, but Verify," when it comes to data. We shouldn't be compelled to do this because we don't trust the individual bringing the data. We should do this because sometimes people have bad data or have been given bad data without knowing it.

Do you agree that your customer (or next process) determines the quality of the product; regardless of whether or not it is to print? Do you go upstream to manage defects? Are your managers solving problems at the source of the problem vs. trying to solve them in a conference room? If you answered NO to any of these questions, Drive Inc. can help. We have experienced professionals who can coach your team through the process of gaining alignment around this principle. For a no-obligation introduction meeting, please contact Paul Eakle at paul.eakle@driveinc.com or 865-323-3491. Stay tuned for next month's newsletter when we will discuss the next principle in this series to ensure your leadership team is aligned.

