

Spring INTO Action

by A.V. Feigenbaum

In 50 Words Or Less

- Challenging economic times have made a significant impact on the importance of quality throughout business and industry.
- For business success, companies must emphasize management innovation with a total quality foundation.
- By focusing on five areas, quality professionals have the opportunity to help their companies succeed and become stronger.

LAST YEAR, I was presented the National Medal of Technology and Innovation. It was a great honor for all of us at General Systems Co.—and for all of us in the quality profession—to be recognized for our efforts related to total quality and innovation.

Not only was the award an opportunity to shine the spotlight on quality and its direct link to innovation, but it also reminded us about how an emphasis on management innovation—with a total quality foundation—can become a centerpiece for America's economic recovery and the return to strong and successful business growth.

Management
innovation and
total quality
are the keys
to **business**
success



Economic, human and technology changes have created one of the most turbulent and challenging periods in our history, and it has made a significant impact on quality in business and industry worldwide. This includes:

- Increased speed and aggressiveness of quality competition.
- Greater customer demands for higher standards of quality value in products and services—not just a focus on reducing defects.
- Expansive IT activities of corporations. For example, potential buyers regularly read blogs or visit chat rooms to investigate the quality of products and services. In some instances, this ability seems to influence purchasing decisions more than the seller's advertising and promotion initiatives.

Moreover, companies' strong emphasis on looking globally for better ways to satisfy the demand for customer value and to improve productivity has created another reason to focus on global management quality.

You can see this in the rapidly growing numbers of companies that are reaching across oceans and international borders, leveraging total quality management (TQM) activities in areas of development and design, supply production, and the assembly of products and services.

These leading companies are emphasizing a systematic approach and attention to quality, closely managing the data and information pertaining to their products, and emphasizing new and even more focused quality approaches in the areas of product safety and product integration.

Together, these factors explain why more global corporate leaders have come to emphasize that—in global terms—quality is not only a technical subject, but also a fundamental way to manage and lead organizations. In other words, quality has become the basis for systematically guiding, empowering and supporting the constant pursuit of product and service quality excellence. It is also the basis of strong and continuous

innovation in design and engineering, supply, production, sales and other related processes throughout an organization.

Most importantly, these issues highlight the basic principle of the global business experience: What makes quality value better in any part of the organization can make quality value better in every part of the organization—what we call the “domino effect of quality.” It's the basis for the management innovation focus on total quality by which today's corporate leaders emphasize:

- Customer product and service value leadership that's locked on current and future quality capability.
- Operating cost leadership for the company's economic strength.
- An empowered company culture of superior performance that emphasizes customer satisfaction, which drives the company's TQM initiative and, in turn, creates profitability and further growth.

Strong and successful companies will say that quality has become a global language for their businesses. Fundamental to the competitive strength of these companies is how effectively they understand and implement this language of quality throughout all parts of their operations.¹

Focus on five areas

To be a successful company today, there must be a continually effective emphasis on management innovation with a total quality foundation. Five key areas companies should focus on to build this competitive quality leadership strength are:

- 1. Product development:** Companies must emphasize better and more powerful management innovation quality initiatives to strengthen the quality of their product development and introduction. These initiatives must emphasize and integrate consistent customer value performance throughout the company's entire operations.
- 2. Supply and purchasing:** The companies' quality management of supply and purchasing must be emphasized and must be productive, especially those activities that deal with internationalization and outsourcing.
- 3. Training and human resources development:** Companies must provide a high level of quality training in all major activities. Only such a high level of quality practice and attention to quality can guarantee consistent, high-quality value that today's individual and industrial customers demand.

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Hear an interview with A.V. Feigenbaum from earlier this year and see his conference presentation from the 2009 ASQ World Conference on Quality and Improvement at www.qualityprogress.com. There, you can also find links to his past QP articles.

Management innovation—with a total quality foundation—can become a centerpiece for America's economic recovery.

4. Economics of quality: Companies must measure and manage the economics of quality and its costs in terms that truly recognize the financial power that can be realized by the effective implementation and execution of quality processes.

5. Hands-on management: Companies must effectively emphasize a new character of the strategic and operational, hands-on management leadership of quality.

Let's expand on each of these five areas.

1. Product development

Companies with more effective quality management place great emphasis on speedier, more systematic quality processes that help them introduce and develop new, competitively strong, high-value products in today's rapidly changing global markets.

This emphasis on speed and system ensures the clear integration of quality systems into their development and design processes.

This is quite different from practices of years past in which these processes—while well intentioned and well constructed—could be separate, technically led islands without bridges to connect activities with other key quality processes in the company's international quality network.

Today, the integration of these processes is clearly and consistently guided within these leading companies. Their careful, consistent systems measure and update in real time the quality value for customers throughout the companies' markets.

This data can guide companies to make and revise plans almost immediately to redesign a product's development, thus avoiding any negative impact on customer-value satisfaction. This systemic quality value discipline creates the product and service strength of today's quality value leaders—from the smallest companies to the largest and strongest. These leaders always have their fingers on the quality pulse of their markets so they're not blindsided by their competitors' quality improvement changes.

2. Supply and purchasing

Leading companies in today's highly complex, internationally oriented supply, procurement and outsourcing activities focus on establishing and maintaining productive partnerships with their suppliers.

This activity is very different from the primarily single-dimension "negotiate and squeeze them down" emphasis of years past. Today, a company's success often hinges on its suppliers' flexibility—an ability and willingness to partner quickly and help the company build the products and services—and a greater emphasis on quality effectiveness and efficiency in those supplier relationships.

3. Training and human resources

The third area involves a better, more consistent quality motivation of a company's human resources. It's far different from the earlier practices of some companies, which were characterized by fireworks displays, management speeches, well-packaged motivation sessions and well-structured DVD presentations. When you returned to your workplace, however, you still faced ambiguous quality practices and departmental walls that made significant quality improvement efforts slow and ineffective.

Today, instead of the rhetoric and the rousing, corporate leaders are emphasizing senior management support and practices that encourage, develop and use fundamental quality knowledge, skills and attitudes of the men and women throughout their organizations, which are networked as learning organizations for constant quality improvement.

This new emphasis on quality leadership creates a powerful environment of trust, openness and honest communication, encouraging the development of individual quality improvement entrepreneurs.

It also means systematically structuring full opportunities for continuous and rigorous quality improvement. In this environment, employees are provided with the quality tools, processes and support to help them develop their own forms of quality analysis, teamwork and benchmarking improvement for the business.

There is always a better way, and the people best qualified to establish this better way are those closest to the work itself—as long as they are provided with the tools, support and encouragement.

4. Economics of quality

Today's top corporate quality leaders pay close attention to the measurement and management of the new, internationally driven economic and cost pressures their organizations face as they globalize. These leaders emphasize strong management and quality-based economic and cost leadership to meet and beat these forces head on.

One of the competitive, quality-based strengths that stands out in many of today's global corporate quality leaders is their ability to systematically measure the costs of quality associated with achieving complete customer value satisfaction. They also possess the ability to measure business failure costs that are created when this does not take place.

Because these costs are systematically measured, they can be systematically managed, providing a substantial competitive advantage in helping to achieve genuine cost management and true cost leadership for the company.

This makes these companies' systematic emphasis on high customer quality value and low quality costs—together—a key element in the way they compete and effectively lead in profitability and growth.

The explicit management and measurement of the economics of quality provides a significant quality-value leadership strength, which has proven to be a great advantage for these companies' success and profitability—something their competitors without a focus on quality costs and measures can only hope to achieve.

5. Hands-on management

Leading companies are building their competitive strength through a firm, strategic and hands-on emphasis on continuous management innovation based on quality.

In more highly successful companies, senior management approaches quality in day-by-day operational and strategic terms with a hands-on strategy and leads by using TQM-based quality processes.

In an increasing number of these highly successful companies, senior management focuses on quality leadership—directly and systematically. This is also true of the finance, equipment and personnel process-

es, and brick and mortar assets, which have always had hands-on management leadership.²

Most importantly, in terms of TQM, this leadership approach provides a clearly defined and highly significant role for the company's quality experts and professionals today. This role includes direct support in quality terms from the company's senior management.

In competitively strong global companies, constant innovation in quality terms will likely represent an increasingly significant leadership role for quality professionals during the next several years. Innovation is a key to these companies maintaining, improving and strengthening their total quality control and management structure.³

Supporting these five areas of management innovation and total quality provides a highly productive role and a strong opportunity for today's quality professionals in their abilities to directly help and lead this powerful new quality movement at their companies.

Moreover, a focus on these areas can spark additional enthusiasm and satisfaction. Such a commitment to excellence and improved economic, social and human welfare that results from focusing on these areas can bring satisfaction to our work, our companies, our quality control societies and even our own personal lives.

Indeed, it supports the emphasis on management innovation with a total quality foundation as one of the centerpieces of America's economic recovery and return to successful growth. **QP**

REFERENCES

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EDITOR'S NOTE

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