



**Quality, and its pursuit never stops**

# What is Quality?



Whatever the Customer wants and needs  
*(Dr W Edwards Deming)*

Conformance to requirements  
*(Phillip B Crosby)*

Fitness for use/purpose  
*(Dr Joseph M Juran)*

The characteristics through which the product and service  
meet the expectations of the customer  
*(Dr A V Feigenbaum)*

## Quality vs Business Excellence?

# The History of Quality – The Gurus

## **Dr Walter Shewhart ( 1891 - 1967 )**

- Development of statistical tables for control charts
- Common cause and special cause variation
- PDCA cycle

## **Dr W Edwards Deming (1900-1993)** Pioneered Statistical Analysis in the 1930's

- Demings 14 points

## **Joseph Juran ( 1904 – 2008 )** Statistical to more Holistic focus (1950's)

- Planning, control, improvement
- The Pareto Principle – the vital few vs the trivial many

## **Shigeo Shingo ( 1909 – 1990 )**

- Just in Time manufacturing – Toyota Production System – Lean Manufacturing

## **Kaoru Ishikawa ( 1915 – 1989 )**

- Cause & Effect model, ( Ishikawa diagram )
- Quality Circles

## **Phillip Crosby ( 1926 – 2001 )** – Zero Defects – quantify the “Cost of Poor Quality”

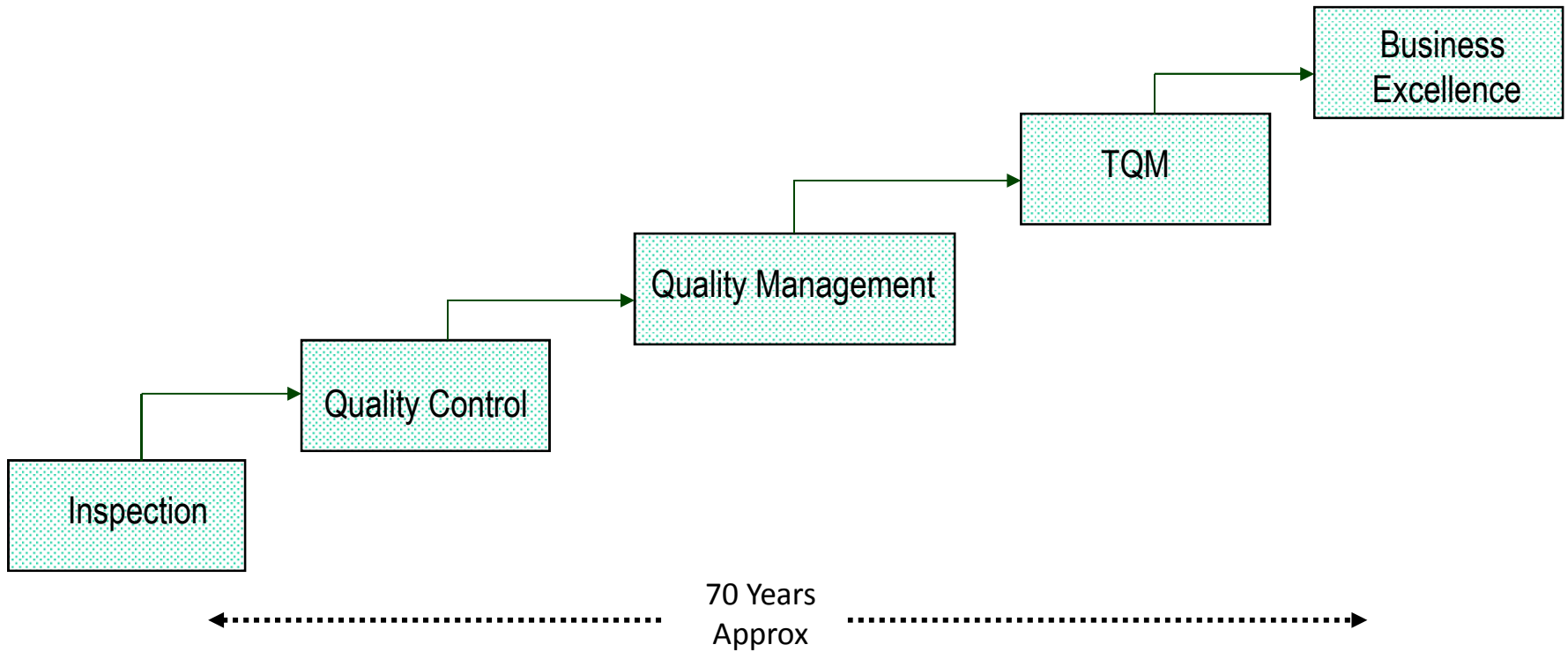
## **Armand V Feigenbaum ( 1922 - )**

- Total Quality Control - Total Quality Management

## Post WW2 the movement really gathered momentum

- Allied occupation of Japan, - War Dept Training within Industry introduces SPC and Process Improvement.
- Edwards Demings, Joseph Juran, teachings – PDCA, Quality Control
- Kaizen, ( “good change”) revolution in the 1950’s
- Toyota Production System ( Just in time )
- Henry Ford and Piggly Wiggly
- The evolution of TQM and the development of Holistic Frameworks

# The evolution of Quality



# More recently

- Kaplan & Norton
- Hamer & Champy
- Eli Goldratt
- Jim Collins
- ???



## NZ – State of the Nation

- There are over 500,000 Commercial and Rural Businesses in NZ.
- 97% employ less than 20 FTEs.
- 87% employ 5 or fewer FTEs.
- 3,387 businesses filed for bankruptcy, liquidation etc to 31.5.2011
- World competitiveness rankings show NZ around 22nd out of 59 economies.
- NZ 's Overall economic performance has dropped from 31<sup>st</sup> to 33rd.
- In terms of Business efficiency we are 24th.
- Management competence and capability are identified as key issues.



## Performance Improvement in NZ

Firm Foundations (2002) NZ survey found that;

- NZ businesses are not committed to adopting formal quality management approaches
- Only 26% of all NZ businesses have adopted or are planning to adopt quality management systems, although, 92% said it was very important or important to have a strategy for ‘quality of goods and services’

More recent specific research, ( MED 2007 ) indicates that;

- There are a lack of consistently applied frameworks and assessment tools to assist businesses in NZ
- There is a lack of understanding of the benefits of a structured, consistent approach to Quality / Business Improvement
- There is some commonality in terms of the models being used in NZ although delivery is fragmented and uptake is low

# The Issues!

- A lack of understanding of the approaches and how they complement each other
- A lack of “Strategic” focus in NZ business
- Management commitment is an issue
- The plethora of services and options available
- Lack of exemplars and appreciation of the benefits of benchmarking

# What the “Best Practice” Organisations are doing

Using regular assessment to identify opportunities for improvement

Benchmarking to identify best practice approaches



Have a detailed understanding of customer requirements

Adopting a “Continuous incremental improvement” approach

Performance measurement and performance management

# Planning your Business Improvement Programme



# In Summary

- The fundamentals of running a successful organisation in the public, private or voluntary sector are essentially the same.
- There is no better alternative to a structured, consistent, organisation wide approach to business improvement.
- Business improvement is not an “add on”, rather, it’s an essential part of running a successful organisation.