

Quality Control

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Are your customers satisfied????

Quality is those features of a product that allow it to satisfy customers.

Ensuring that the quality of your product is up to standard is absolutely vital to your business. Remember, "A happy customer tells a friend, an unhappy customer tells 10 friends." So ensuring your quality standards are high in a competitive market will be the difference between success and failure in your business.

But how can quality be controlled?

There are several methods that you can put in place to check the quality of your product. The traditional way is to employ a quality control inspector (quality control method), who can take samples of products from your production line and ensure that the



batch is of the correct standard. However, there are several drawbacks to this method. An inspector can only alert the production team of a problem that has already occurred; it will not stop the fault from occurring in the first place. It also does little to encourage individuals to improve the quality of their input. What's more, it will further

add to your wage bill and in a market with tight margins, it may not be the best option for you.

Quality assurance is a system that aims to prevent problems occurring in the first place. This can take the form of Total Quality Management, which is the installation of a culture of quality whereby all workers are responsible for producing high quality products. This helps to cut down on mistakes and improve the overall quality of the product. Customer satisfaction will increase and that could differentiate you from your rivals and help you to succeed. Also, your workers will be given more responsibility for the production of the product and so will be more motivated to work. This comes from theorists such as Herzberg, who put such responsibilities as motivational factors. Moreover, the costs of the product are reduced as there is less waste and less need for reworks. Finally, it also helps the marketing department as they will be able to promote a product with high quality standards and may use the quality as unique selling point for the product.

However, quality must be continuously improved (Quality Improvement). To ensure this, your firm should be carrying out regular market research. The customer sets the standard for quality so their comments will help you make the improvements which will satisfy them and increase your sales. Another method is to have ongoing research and development in place. Customers of Apple would not be happy if they just continued to

produce the iPod Mini and never developed a new product. Your business must continually adapt its product to meet the consumers changing needs. Moreover, your firm can ensure ongoing quality by introducing Kaizen groups. Kaizen means 'continuous improving' and involves workers suggesting ideas for improving production techniques e.g. Perkin Elmer employees may suggest that the product should be made in one place, with all the components required close by. This will help with lean production, reducing waste for your business. And reduced wastes means the customer will receive the product on time and so will be more likely to return to your company.

But how is quality measured?

Quality is subjective, but there are tangible measures that are used such as appearance, reliability, durability, functions, service and repairs needs. These are some of the factors that are required in a high quality product. A business that produces a product that has all these features may receive a Quality Standard, such as the BS 5750, ISO 9000 or Investors in People. These kite marks are awarded to businesses that have quality systems which cover the quality of their working methods, services and processes as well as the quality of



their products. A business that has achieved such awards can then demonstrate to consumers that the firm has quality standards and keeps to them. Achieving such awards would be beneficial to your business as it shows consumers that you have reached certain quality levels, which will enable your business to market the product as a high quality product. The profit attributed to working with the Investors in People Standard, by size of organisation, is as follows:



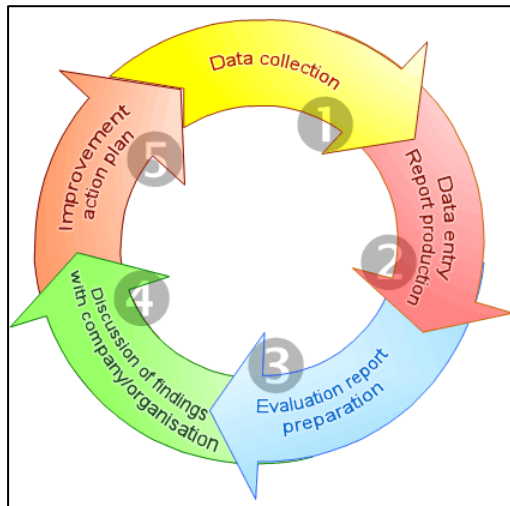
- Small organisations - £303 per employee per year (accounting for 4% of total increase)
- Medium organisations -£602 per employee per year (accounting for 60% of the total increase)
- Large organisations - £41 per employee per year (accounting for 36% of the total increase)

Such a system was recently introduced into the poultry market. The Quality Assurance Scheme introduced a kite mark to certify whether producers treat their chickens properly, that they are not fed antibiotic growth promoters and that their life history can be traced. This allows consumers to know which whether the chickens they buy have been raised in a quality, healthy environment.

Benchmarking

Benchmarking is the process of setting competitive standards, based on the achievements of other firms, against

which an organisation will monitor its progress. They will focus on the companies that are 'best in class' and compare themselves against them. So your firm could gather data on the 'best in class' then establish reasons for this bridge in quality and set targets for improvements. The new strategies must be agreed and implemented and then



the results can be reviewed. However, this process does not stop and should be repeated to ensure that you are as close to your competitors as possible in terms of quality. Benchmarking could take place within your business. For example, Mothercare believes that the best way to improve is to use different approaches in its own stores and compare results. The successful stores become benchmarks for other stores.

How important is quality for your business?

A lapse in quality can cost your business a huge percentage of your turnover. Cadbury is recalling some of its Easter eggs because they do not carry the correct nut allergy labelling. Recalling all of the eggs will cost thousands in lost revenue. This is an example of how a lapse in quality can cost your business. It affects every part of the company. For example, if the

packaging team at Cadburys had ensured their job was up to standard the information would have been on there from the start. The production team could also have checked the packaging to ensure everything was on there, which would have prevented the problem. All departments of Cadburys now have a huge task. The marketing team have to ensure customers are aware of Cadburys other products, and will face the task of improving sales after a previous quality slip up with the salmonella scare. The production team have to deal with re-processing the products, and the financial department will have to cope with the adverse cash inflows which may cause problems for them.



So make sure your company takes note of some of the methods mentioned in this article to ensure your customers are kept satisfied and so keep returning. You will certainly see the difference in your end-of-year profits, because remember, "A happy customer tells a friend, an unhappy customer tells 10 friends." So make sure yours are happy! •

