

Production & Quality



- Quality is an important factor since it:
 - Helps create customer loyalty
 - Reduces complaints – and associated costs
 - Lengthens the life-cycle of products
 - Can reduce promotional costs e.g.
 - Can allow a higher price to be charged e.g.

**MARKS &
SPENCER**

- Since quality is largely determined during production there is little doubt that the 2 factors are linked
- This was recognised by the Japanese, and led to the development of lean production



Quality Control Techniques

● There are 3 methods that can be used

➤ **Prevention**

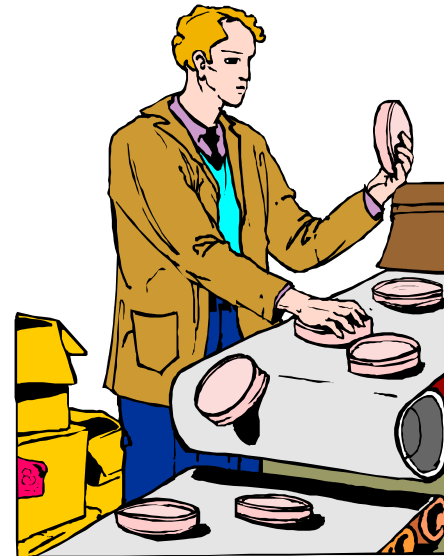
- The most effective method
- This relies upon Quality Assurance

➤ **Inspection**

- The traditional method
- This has very high costs

➤ **Correction & Improvement**

- This uses both of the above
- Modern businesses approach this using “**BENCHMARKING**”





Quality Assurance

- This involves setting standards throughout an organisation
- It will therefore involve:
 - Product design
 - Quality of raw materials
 - Production quality
 - Delivery systems
 - Customer service including after sales
- Many businesses will strive to achieve **ISO 9000**
 - This is a recognised certificate that a firm has met stringent standards
 - Many government contracts will only be awarded to firms with ISO 9000





Inspecting For Quality

- This is the most popular method of quality control
- It involves:
 - Sampling products at the end and during production
 - Employing people to test products
 - Extreme testing – ie damaging products
- As such it creates a number of problems:
 - It is expensive!
 - It can create resentment between staff
 - It is tedious – but relies upon alertness!
 - It is not foolproof
 - It removes responsibility of quality from other staff
- It is for these reasons that new methods of quality control have been developed





New Approaches to Quality Control

- Over the last few years a number of new approaches have been developed
- The two main ones are:
 - **Quality Circles**
 - **Total Quality Management (TQM)**





Quality Circles

- An idea that originated in Japan
- This encourages the active participation of workers
- Workers meet voluntarily in small groups
- They discuss possible methods of improving quality and productivity
- “Staff Suggestion boxes” are found more commonly in British businesses





Total Quality Management (TQM)

- This involves the development of a new culture within a business
- Everyone is considered to be responsible for quality
- Different departments are treated as internal customers
- In theory this should eradicate the need for a quality control department
- However, it is dependent upon the empowerment of staff

