

In this Issue:

***Joseph Juran turns 100 Years Old
How do we define our Customer Oriented Processes?***

Have a Great Summer!

"The trouble with the rat race is even if you win, you're still a rat" – Lily Tomlin

Last month *Quality Digest Magazine* asked their readers to rank different quality initiatives with respect to their return on investment. The three initiatives with the highest reported return on investment are **lean manufacturing**, **ISO 9001** and **Six Sigma**, respectively. **Software quality management programs** received the most votes for the lowest ROI.

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Joseph Juran Honors Japanese Quality at His 100th Birthday Event

The United States faces losing its status as an economic superpower unless it improves the quality of its products and services, according to Joseph M. Juran, a pioneer in the quality management movement. Juran, who recently spoke at a celebration in honor of his 100th birthday, also outlined his vision of how world-class organizations achieve quality excellence.

"Japan used revolutionary improvements in quality to become an economic superpower," he said. "Unless the United States improves the quality of its products and services, it could lose its status as an economic superpower."

Juran outlined what steps Japanese organizations took to become quality leaders, including:

- ▀ Directing the quality revolution from the senior management level
- ▀ Training the entire managerial hierarchy in quality principles
- ▀ Striving to improve quality at a revolutionary rate

- ▀ Reporting progress on quality goals to executive levels
- ▀ Involving the workforce in quality through the use of quality control circles
- ▀ Revising the reward and recognition structure to include quality

“We’re at an impasse,” he says. “We know what to do, but most companies aren’t doing it.”

How do we define our Customer Oriented Processes (COPS)?

Whether it’s ISO 9000, AS9100, Six Sigma, or process improvement, there is no coincidence that all these systems explain the process approach to management in its introduction. Some organizations struggle defining an approach as to “how my business works.” Besides, we are not talking about an organizational chart!

This question follows a similar pattern when asked about core or high level processes that “touch the customer” (referred to as Customer Oriented Processes or COPS), support processes or sub-support processes. The first question revolves around defining the key processes, how the organization works delivering product or service to customers. The following questions are related to this defined process:

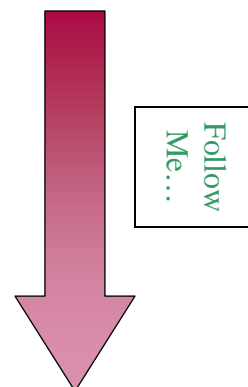
- ✚ What are the activities that act on the inputs that result in an output or product?
- ✚ What are the resources – including adequacy of competent people, materials, equipment, and facilities?
- ✚ How is the process monitored and measured?
- ✚ Who is the process owner(s) including the scope, responsibility, and expectations?

The knowledgeable top manager or executive pretty well has a clear awareness of these issues, irrespective of whether the system is working as well as it should. Consequently, what is important is to first identify and analyze the processes themselves.

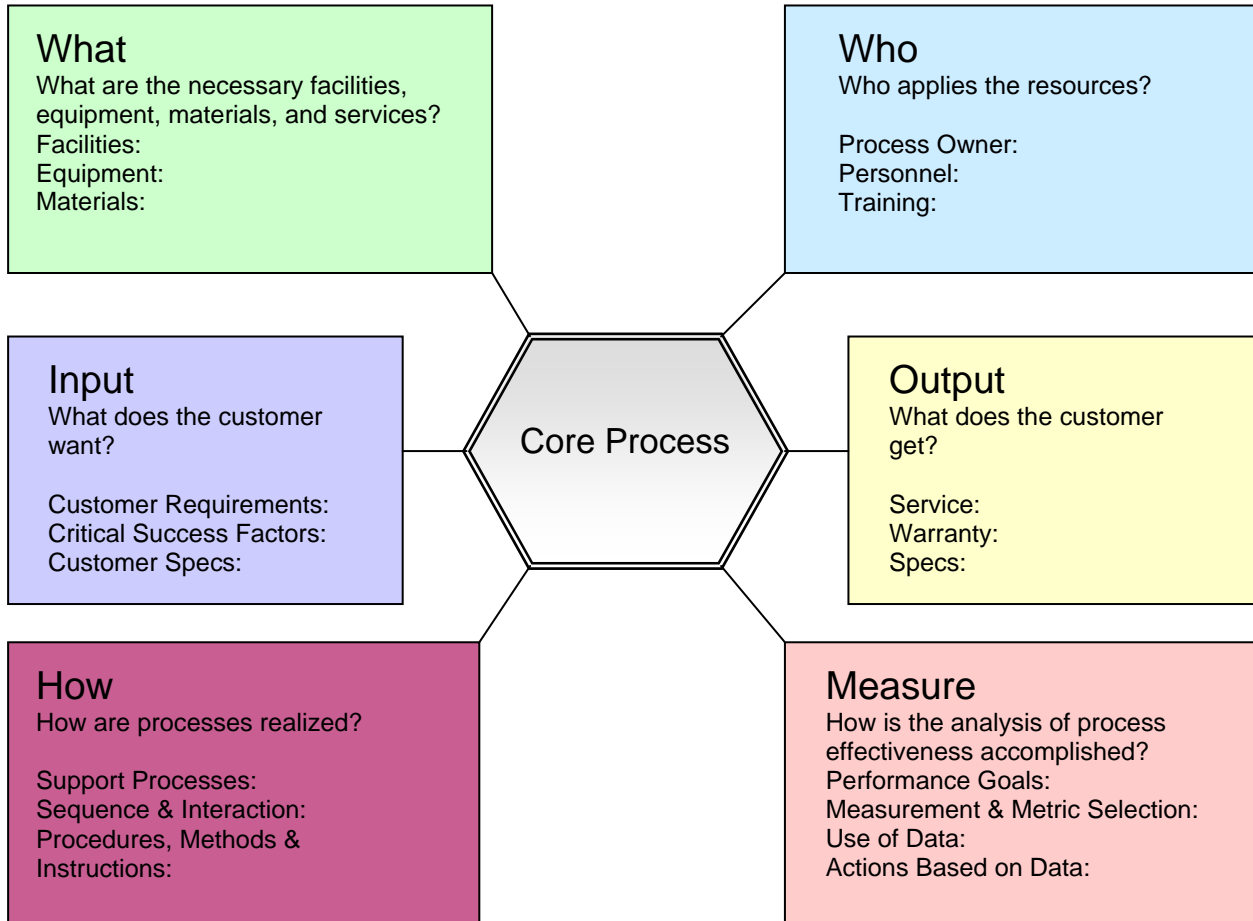
Performance is the confirmation that the overall management system is working effectively. Measurement of the performance of the core or high-level processes tells a vivid story as to how well the system is working. Measurement can point to important clues as to why the system is working in a particular way.

An effective process analysis tool is the so-called “turtle model” that is used to

- ✚ Visualize a process
- ✚ Identify the risks to a process
- ✚ Assess risks to a process
- ✚ Assess the adequacy of a process



The Turtle Model



Achieving Process Improvement Through Process Assessment

The intended purpose for the turtle tool is to identify the *important aspects* of a process. Each box labels a critical element of a process. The middle three are the main process flow including inputs, activities acting on inputs, and followed by the output. The four outside boxes connected to the middle box are the various activities acting on the input to produce the output.

The mapping of your defined processes (core – high level – COPS) can be made to *understand how well* the processes of the business compare to *internal and applicable customer requirements*. In practical terms, this involves examining your defined processes, typically those that are meaningfully measured.

With the absence of an objective process assessment, organizations will continue to waste considerable resources and incur unnecessary cost. Initiatives and strategies for improvement will be implemented without data and with the wrong assumptions. In the end, a company will understand its processes and effectiveness, maximize its capabilities, use resources more efficiently, and continually improve.