



### MASTER QUALITY MANAGER (MGM)<sup>TM</sup>

Alan Power
Senior Associate Consultant Informa

www.alanmpower.com

2020

## Introductions



- Who are you?
- What is your role?

#### Suggested Timetable

10:00 – 10:45	Session 1
10:45 – 11:00	Break
11:00 – 11:45	Session 2
11:45 – 12:00	Break
12:00 – 12:45	Session 3
12:45 – 13:15	Break
13:15 – 14:00	Session 4
14:00 – 14:15	Break
14:15 – 14:45	Session 5

## Timetable

When shall we break through the day?

## **Alan Power**

A snapshot of my career



## TSB Homeloans Glasgow



#### TSB Homeloans

Some Facts

- Established as a centralised home loans operations in 1990s;
- Loan assets increased from £3.4 billion to £10 billion in 6 years;
- Productivity improved by 127%;
- Staff morale improved to 97% satisfaction
- Customer satisfaction averaged 98.6% per month;
- Winner of the Quality Scotland Foundation Award for Business Excellence.

### Course Content

- 1. History and development of QM
- 2. Operations Improvement
- 3. The Toyota Production System
- 4. Lean Strategy
- 5. 5S techniques
- 6. SMED

- 7. FMEA
- 8. Six Sigma
- 9. ISO900 QMS
- 10. Benchmarking
- 11. EFQM Excellence Model

## Course Format

Methodologies

Tools and techniques

**Applications** 

Support and follow up.

## Group Exercise

- What is your definition of Quality?
- What is your vision of a company that has a culture of Quality Management?
- Where should Quality
   Management fit in an
   organisation's management
   system?



Some definitions





## The Transcendent Approach



## The User-Based Approach



The User-Based
Approach



## The Manufacturing approach

#### **Product-based Approach**

Capacity = 8 kg
Spin speed = 1600rpm
Energy efficiency rating = A++
stylish control knob,
large touch screen digital
display
easy to open detergent
dispenser







## Definition of Quality

- Not about exclusivity;
- Not about expensiveness;
- For us it's more about how Quality is defined by the customer:
  - Fit for purpose;
  - Conforming to requirements;
  - Value as perceived by the customer – what benefits and are they worth it?.



## Vision for your Customers



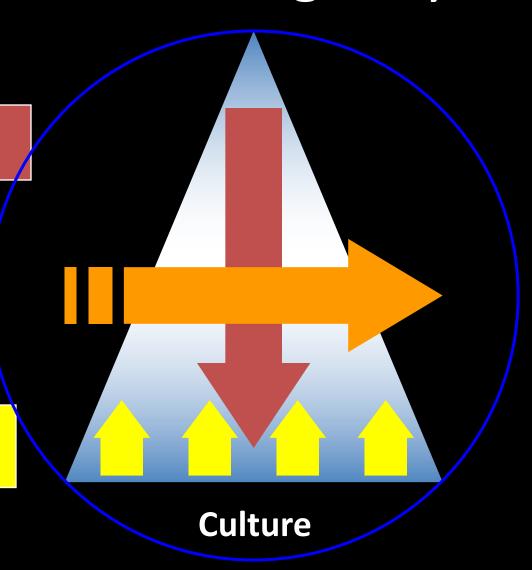


## Where Does it Fit Strategically?

Top down - Dubai QA Self assessment/ISO9001

Process Excellence – Lean & 6 Sigma

Continuous Improvement – Lean & Kaizen



## Culture

Continuous Improvement



# The Business Case for Quality

USA: Hendricks and Singhal

Europe: Bendell, Boulter & Abas



#### High quality puts costs down and revenue up

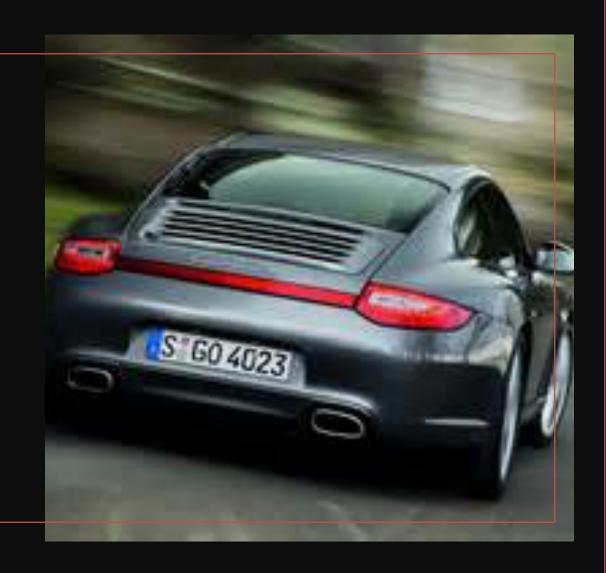


# The Business Case for Quality

Porsche Case Study

### 1991 - 1992 Porsche were in a Crisis

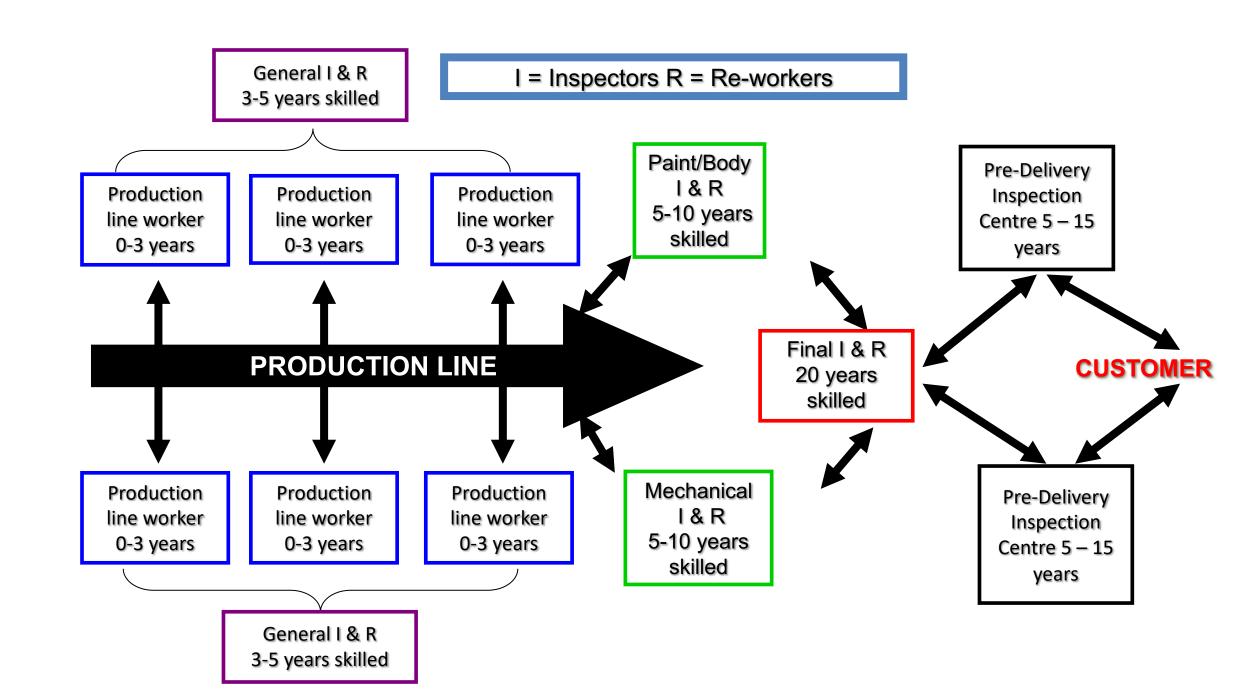
- 1990 profit of \$10 million on sales of \$3.1 Billion
- 1992 loss of \$154 million on sales of \$1.6 billion
- Sales not looking to rebound in the short term 1-2 years
- Company set to go under within 18 months.



#### Porsche Takes Action

- Appoint the first CEO from outside of the Porsche family;
- Wendelin Wiedeking came from auto parts industry;
- Wiedeking makes the decision to use external consultants;
- Toyota's consulting wing is engaged.





## Group Exercise

If you were on the consultancy team what would you recommend?



## Toyota's General Observations

- The product that was delivered to the customer was a "quality product" (though still had much higher warranty costs than Toyota and Lexus);
- The change/revolution they needed was in the operational areas;
- They needed to move from an industry of "checking" to a "right first time process philosophy."



## Toyota's Operational Observations

- Their skilled staff were faultfinders;
- Their skilled workforce re-worked the faults so process workers never learned;
- Porsche seemed to "plan" to get it "wrong" every day;
- Checking and reworking was built into the career path for their "high performance" staff;
- Despite this checking Porsche had never built a car first time fault free.



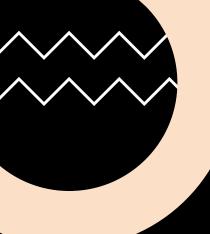
## Comparison with Toyota

- Toyota plan to get it right first time;
- They self inspect early in the process not at the end;
- They 'quality assure' their processes not 'quality control' their products;
- The highly skilled guys are in the process "coaching and improving."



### Operational Performance Post Lean

	1991	1995	1997
Hours to build 911 with no engineering changes	120 hrs	76 hrs	45 hrs
Average defects per vehicle at end of line	105	45	25
Full cycle time from welding to finished car	6 wks	5 days	3 days
Work in progress inventories	17 days	4.2 days	3.2 days
Directors, managers, supervisors in Porsche ops	328	226	212



## Summary

- Porsche took circa 30% out of their operational costs over 3 years;
- 1992 loss of \$154 million on sales of \$1.6 billion;
- 1995 profit of \$1.2 million on sales \$1.6 billion;
- Productivity doubled in the period while defects dropped by 75%;
- July 27 1994 a Carrera rolled off the production line defect free at final inspection, the first time in the companies 44 year history.



