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Benchmarking Tip:

INTEGRATE CRITICAL SUCCESS FACTORS (CSFs)

CSFs help benchmarking teams collect the right information for their study. CSFs are derived from what is critical to a company's survival. For example, a CSF for a courier service might be on-time delivery.

CSFs need to influence the entire benchmarking process. This is important because no matter what you benchmark, you want to study, measure, and collect information in the areas that are critical to your company's success.

CSFs should influence the:

- Selection of a benchmarking scope
- Selection of key measures
- Identification of benchmarking partners
- Development of benchmarking questions
- Preparation of the final analysis and recommendations

Keeping teams focused on CSFs throughout a benchmarking study increases the likelihood of a good return on investment because it guarantees that information is collected in the areas most critical to success.

For more detailed information on benchmarking, please call the office and we will Fax it to you.

Companies Need To Know Their Customers And What They Want

This, however, might not be obvious because a customer's experience consists of an *outcome* (what the customer gets) and a *process* (how the customer gets it).

Although customers might initially come to a company for an outcome -- what it can do, create, produce, or deliver -- the process by which that outcome is delivered is at least as important.

To satisfy and retain customers, companies need to be concerned with the whole experience of receiving their product, not just the product itself.

Companies must pay as much attention to the process as they do to the expected outcome because a customer might be satisfied with the outcome but not with the process, or vice versa.

Customers who receive what they want but are hassled in the process -- OR -- customers who enjoy the process but receive results that do not meet their expectations are at risk of leaving the company. Since most companies spend a fair amount of their improvement efforts on the results side, if they start focusing on the process side, they will very quickly move into customer loyalty.

Standards At-A-Glance

The standards explosion first started with ISO-9000 in 1987, and now there is ISO-14000, QS-9000, and TE-9000. Following is a brief description of the existing major standards.

ISO-9000

ISO-9000 is a series of three international standards (ISO-9001, ISO-9002, and ISO-9003), plus supplementary guidelines on quality management and quality assurance, which can be used by both manufacturing and service industries. The standards require that a basic quality system be in place to ensure the company has the capabilities and systems to provide its customers with quality products and services.

ISO-14000

The ISO-14000 series of generic environmental management standards, which are currently under development, will provide structure and systems for managing environmental compliance with legislative and regulatory requirements, and will affect every aspect of a company's environmental operations. ISO-14000 standards are expected to be published by the end of July, 1996.

QS-9000

QS-9000 incorporates all the elements of ISO-9001 with additional requirements specific to the automotive industry. It is designed to provide continuous improvement with emphasis on defect prevention, and reduction of variation and waste in the supply chain. All Chrysler and GM suppliers are required to be registered to QS-9000 by the end of 1997. Ford has yet to announce a date.

TE-9000

TE-9000 is expected to be released as a supplement to the QS-9000 requirement. It will apply to tooling and equipment suppliers of non-production parts (items that are used in making parts for cars or trucks, such as tools, production equipment, dies, and moulds). It is still being revised and the final draft has not yet been completed.

Creating A Climate For Change

Employee involvement at the beginning of the change process is essential. To create a foundation for success, management must invite contributions from all employees and labour groups, remove any obstacles, provide necessary resources such as education, training, and work structures, empower employees, and then get of their way.

Management must resist the temptation to take back the controls when the going gets tough. The effective use of power is knowing when to stand back, & when to step in.