Summary of Key Points and Terminology – Module 1

- **Quality assurance** refers to any action directed toward providing consumers with goods and services of appropriate quality. Although craftspeople were attentive to quality, the industrial revolution moved responsibility for quality away from the worker and into separate staff departments. This had the effect of making quality a technical, as opposed to managerial, function. This thinking carried through Western industry until about 1980.
- W. Edwards Deming and Joseph Juran taught techniques of quality control and management to the Japanese in the 1950s. Over the next 20 years, Japan made massive improvements in quality, while the quality of U.S. products increased at a much slower rate.
- Four significant influences brought about the "quality revolution" in the United States in the 1980s: consumer pressure, changes in technology, outdated managerial thinking, and loss of national competitiveness. Quality assumed an unprecedented level of importance in the United States. The quality movement has influenced not only product and service improvements, but the way in which organizations are managed, leading to the concepts of **Big Q** – managing for quality in all organizational processes as opposed to simply in manufacturing, referred to as **Little Q**, and of **total quality management (TQM)**.
- Quality initiatives have had their share of failures and disappointments, many of which resulted from poor management. Six Sigma, a customer-focused and results-oriented approach to business improvement, is revitalizing a focus on quality in the 21st Century.
- Many forces are influencing the future of quality, and suggest that organizations must better prepare and train employees in the philosophy and tools of quality management and that business leaders take responsibility and be held accountable for quality outcomes.
- Quality is defined from many viewpoints. These include transcendent quality, product- and value-based quality, fitness for use, and conformance to specifications. The official definition of quality is "*the totality of features and*

characteristics of a product or service that bears on its ability to satisfy given needs." Most businesses today define it as "*meeting or exceeding customer expectations*."

- **Specifications** are targets and tolerances determined by designers of products and services.
- Customers include **consumers**, who ultimately use a product; **external customers**, who may be intermediaries between the producer and the consumer; and **internal customers**, who are the recipients of goods and services from suppliers within the producing firm.
- **Total quality (TQ)** is a total, company-wide effort--through full involvement of the entire workforce and a focus on continuous improvement--that companies use to achieve customer satisfaction. TQ evolved from earlier concepts of **total quality control** and **companywide quality control** as practiced in Japan.
- Total quality is grounded on three core principles: a focus on customers; participation and teamwork; and continuous improvement and learning. These are supported by an organizational infrastructure that includes customer relationship management, leadership and strategic planning, human resources management, process management, and data and information management, as well as a set of management practices and tools.
- A **process** is a sequence of activities that is intended to achieve some result.
- **Continuous improvement** refers to both incremental--small and gradual--and breakthrough--large and rapid--improvement.
- A **learning cycle** has four stages: planning, execution of plans, assessment of progress, and revision of plans based upon assessment findings.
- **Infrastructure** refers to the basic management systems necessary to function effectively and carry out the principles of TQ. This includes the following elements: customer relationship management, leadership and strategic planning, human resources management, process management, and information and knowledge management. **Practices** are those activities that occur within each element of the infrastructure to achieve high performance objectives. **Tools**

include a wide variety of graphical and statistical methods to plan work activities, collect data, analyze results, monitor progress, and solve problems.

- **Competitive advantage** denotes a firm's ability to achieve market superiority over its competitors. Quality is a key source of competitive advantage, and studies have shown that quality is positively related to increased market share and profitability.
- Businesses should view quality at three levels: the organizational level, the process level, and the performer level. This perspective cuts across traditional functional boundaries and provides better information for achieving customer satisfaction.
- Quality begins at a personal level. The use of personal checklists is one way of reinforcing this idea and establishing positive values and ownership that pave the way for achieving a quality-oriented culture in an organization and in one's own life.