

Moving forward into the 21<sup>st</sup> Century, we find ourselves in a different environment. Manufacturing is no longer the key element in the UK economy, we are more involved in determining the market need, designing the product and then to minimise costs outsourcing manufacture to China, and India. This brings a new set of Quality issues to ensure customers receive a product on-time and that works.

Oakland Consulting has been researching why people do things the way they do to, to enable their business to keep at the forefront of Quality understanding and help large complex companies. This involves helping them understand their processes, predicting the implications of change and measuring the impact of that change.

Quality has had a hard time in recent years, with poorly informed managers failing to achieve promised improvements under a banner of Quality. A lot of lip service was paid to the need for Quality and often a skin deep belief. But it is back in fashion, as more companies realise that the short term cost cutting which ignores Quality and customer needs results in business failure.

The basics remain, the need to identify, agree upon and understand core processes and their interfaces. Using the EFQM model as an illustration, it is clear that failure to achieve key performance results will happen if the front end is wrong; *you deserve what you get*. The glue which holds the inputs to the outputs is the effectiveness of the businesses processes, both manufacturing and business.

Many major companies have had difficulty in implementing a model such as the EFQM, in the changed environment of industrial outsourcing and rapid technological change.

To achieve *Quality* across the entire business process chain we need to:

- \* Assess the customer needs & business value of meeting them
- \* Find the right processes & partners and select the optimum solution
- \* Prove and implement the right solutions
- \* Make the proven solutions sustainable and continuously improve
- \* Promote the spread of internal and external best practices

If top managers do not have first hand experience of how improvement works, it is unlikely that delegation to lower levels can provide success. This results in the delegation message from the top being inconsistent and providing a variety of conflicting actions lower down the company. Failures to improve will be hidden as problems are suppressed. This concealment of issues is needed to ensure a good message about the improvement work is communicated to the top. Next, those at the top believe they have managed the improvement well, but no change is seen by customers nor in the financial results. Improvement is seen to fail.

To help companies, Oakland Consulting have been researching ways to implement Quality. They start with a **Balanced set of metrics** (Customers, People, Society and KPIs). Next they work on the front end **Policies and Strategies**. Finally they look for the **Value adding and Support Processes** (typically Design & Develop, Produce & Deliver, Develop Customer Relationship). Since the start, companies have found it difficult to see key processes crossing departments; this has not changed over the years.

A useful illustration of linking the front end Policy & Strategy to the output of balanced metrics, is to show *People, Processes, Partnerships & Resources* as the connectors. Encompassing everything is Leadership.

The Oakland model for Strategic Alignment & Deployment reinforces the need for top managers to understand customer needs so they can correctly plan *What* they want done for improvement. As the planning goes down the organisation, so the questions on *What, How* and finally *When & Who* are addressed. Improvements are carried out, then the messages can return to the managers with *project metrics, people and process performance, business outcomes* and impact on *strategic objectives*.

Major companies need to develop their own model for improvement, albeit based on generic thinking, to meet their own special business environment. Assessing and reviewing to provide a better understanding of performance is a good starting point.

Sustained improvement will be assisted by programmes such as

- \* Six-sigma to improve Quality through reducing variation
- \* Lean to eliminate time wasted and improve delivery performance
- \* Both of which will reduce the cost

Oakland Consultancy have also developed **DRIVER** (define review investigate verify execute reinforce) which is a structured approach for improving efficiency and effectiveness.

We must make the Quality Wheel of go around:

- \* Strategic alignment and deployment - The value-adding processes across all functions provide the link between the strategic plans and the results
- \* Assessment & Review - A critical component in effectively managing quality in the 21st Century that involves the complete supply chain
- \* Transformation and Continuous Improvement - Developing a specific set of skills and knowledge across the organisation as we move towards a culture of continuous improvement

A pdf copy of the slides used for the presentation, and to help illustrate these notes, can be downloaded from the OC website [www.oaklandconsulting.com/](http://www.oaklandconsulting.com/)

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