

What is Left of Total Quality?

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Abstract

The results of 90's "TQM tsunami" are not very evident in our Organizations today, but some companies have integrated the TQM methodologies in their management system with great success. In the emerging Business Scenario they can be a real "new" competitive advantage, especially where the "real time" interactions with clients make the difference. Some companies have already understood it. A re-orientation of TQM methodologies to the WEB environment can represent a real new competitive weapon.

Keywords: Total quality; Business scenario; Management system

Teaching Japanese

Over the years 80 and up to 90 all western companies experienced a mighty attack by Japanese industry, first losing the leadership of the business and then also that in many technological sectors (starting by the Automotive and the Consumer Electronics). It was a real "Tsunami"!

Much of the success of Japanese companies was attributed to new approaches to Strategic and Organizational they developed (in part about teaching Western experts). In particular, one can identify ex - post

Two approaches that led to a de facto revolution: The Total Quality Management (from their better identified as "Company-wide Quality Control") and the "Just in Time" later evolved into the "Lean Manufacturing" (based on the Toyota Production System Model).

These successes convinced the Japanese companies in the West to study these new approaches, and then may also implement them. The understanding was not immediately easy, even for the high barriers cultural. There were years of continuous study trips to Japan organized by our manager.

At the same time, at the initiative of the Western and with a strange mix of "cultural diffusion-Business advice", began a reverse flow of Japanese experts-consultants at our organizations and industrial companies, eager to regain the competitive gap.

The JUSE (Japanese Union of Scientists and Engineers) per primo (non-profit overt and prevalent) and other organizations subsequently (more business oriented) so spread the new "word" in our world management.

There were confrontations, discussions, a plethora of publications. In the world of management "is not talking about it".

There was a sort of frenetic race "to see who could first" to understand the secrets of the Japanese model for it can also apply to us. or demonstrate why "not" could be applied or not agreed [1].

The topics under discussion were several:- "But what exactly are these approaches?"

It was not easy to understand, given the large cultural differences, even at the level of technical vocabulary. There were great discussions on the meaning of "Quality" and "Control", as well as evaluations of the economic production flow (first the myth of the "EOQ" to debunk)

- "But I'm really applicable here too?"

Initially it was very, very doubtful. I personally had several clashes with the cultural management of some companies (ex) leader claimed that the total impracticality of the Japanese model in West, contrapponendogli innovative approaches more "Western", such as greater use of automation and reorganization "processes" (the "Business Process Re -engineering"). A typical attitude was that the "tecnicamente we have nothing to learn, most of the techniques used by the Japanese are Western provenance."

What also true, but the difference was in their real and practical application mainly in the dimension managerial-organizational, rather than in the techniques used. First of all the fact that the TQM approach provided a massive collaborative involvement on the part of the workers, normal in Japan, to be verified in the West [2].

- "Anyway... what about the unions?" (Theme debated in some Western countries such as Italy)

In fact, a major obstacle was constituted by the fact that the Japanese were not compatible participatory models with the logic of opposition business-stable work force that defined standard of performance on which to base contracts, rewards, etc..... The fact that everything could be improved continuously, implying continuous organizational change and performance, cannot be managed in the report based on stable agreements by periodically review only with the consent of the unions. The direct relationship on the evaluation performance on the part of the leaders also took away power to the Unions [3].

- "The Japanese copy and improve, we will win with innovation"

This statement came from those who sincerely believed in it, but also by those who believed the model Japanese inapplicable in our reality (I have in mind that the Chief Executive Officers of this I have

lost the battle and/or the place). In fact, however, the boundary between improvement and innovation however, was not so clear and, in any case, the Japanese “cut off the head of the bull” in the sense that they began then to innovate more than us.

The Spread in the West

The discussions, however, were soon overtaken by events: the American world, and then all western responded by adopting a general Japanese models both companies at Community, the establishment of models of business excellence and related rewards inspired by this new logic, usually starting from the concept of priority of “Customer Satisfaction”: the American model MBQA=Malcolm Baldrige Quality

Award, the Model European EFQM=European Foundation for Quality Management, etc...

It ' true, however, that the interpretation and dissemination was substantially different in the World. Generalizing a bit ' for ease of interpretation, we can say that these approaches were well internalized by American companies and those northern European (more pragmatic and fast approach americ anus, the more “organized” than north European).

Surely the spread in Latin countries was no longer “a leopard spots.”

The application of the approaches Japan was thus different from company to company, with some limited excellence (usually wings mented by foreign parent) and many applications very partial to the majority of companies. A good part was even insensitive, including some important companies, then, however, almost all in trouble.

Without going into the merits of the applications of 80-90 years, it is worth to take us quickly to the situation today to see what is left of the “Tsunami”, i.e that which was considered a true revolution in managerial approaches, so as to drastically change the objects of bibliography management for about a decade [4].

What is Left

Attending multinational companies (and not) in western countries, we can now state that the “campaign culture of Total Quality” has been metabolized, digested, in the sense that if he speaks certainly much less than in the past or almost nothing.

This can be interpreted in two ways:

- a) “is a past history, it is no longer present”
- b) “is entered in the genes of the organization and management of the company and therefore does not deserve further analysis and discussions.”

In fact, in my opinion, are true both in the sense that there are companies in the first situation cultural and companies in the second situation.

It would be easy to say that those in the first situation are worse competitive situation (or even not longer exist), while those in the second situation are better positioned, but the diagnosis is probably much more complex. What is certain is that companies in the situation a) are generally those who have not.

Never adopted or who have adopted only at the campaign level cultural and/or technique, without significant impacts on organization and systems management and almost mock these approaches today, “happy not to have them adopt.”

Could be cited in which there are large companies involved in the Quality function who have never experienced logics SPC evolved (eg they do not know the difference between causes “common” causes and “special” and face the same way), and if you talk to them about what Total, have regard to any aware of historical memory, remembering the most of the Quality Circles” and considering something historical, and unrealistic almost childish.

In fact, however, as to other disciplines and approaches, the reality is very technical and managerial Italian degraded in the last fifteen years. It is made of a “illiteracy return”, perhaps generated from the approaches Latest mainly oriented to Finance, the economic management of the company, the Services and Innovation. The best thing would be to interpret, as the new frontier Innovation is just Apostuita Services and the “Servitizzazione” products. In fact, in the areas of Service processes, methodologies of quality are fundamental, both for the management/improvement of the processes that need direct relationship with the Customer Satisfaction (unfiltered systems physical distribution). But even in the area of services we are witnessing a trend Scissor On the one hand they develop services more customer-driven and customer-oriented and, secondly, you esis a creeping degradation of the quality in the same relationship with the client (think of the low quality of service of several call center support to Services business).

Returning to the attempt to “clustering” the current situations in the types a (“it's a past history”) and b) (“e 'entry in the genes Company”), is, however, true that even in companies in the sit uazione b) references to such approaches are not much more frequent and/ explicit (though there are notable exceptions).

It is, however, often leading companies in which it has become standard practice:-perseguire continuously organizations more “Lean”

- Give priority/importance to Customer Satisfaction
- Implement are so generalized approaches WCOM (World-Class-Operations-Management)
- Organizzarsi managerial coexisting with three dimensions: improving bottom-up, improvement transversal processes, improving strategic top-down integrated with the BAU (Business As Usual)
- Manage in logic Priority/Breakthrough (evolution of approaches to TQM Management by Policy/Policy Deployment-Hoshin Kanri)
- Assess performance based on Balanced Score Cards more “entrepreneurial” than in the past (for supervise and stimulate simultaneously targets the short-medium and long term in today's change ability of the scenario and priorities)
- Give greater importance/focus all “continuous innovation” (in addition to the continuous improvement).

New Scenario and Perspectives

But in the new competitive environment, where competitive advantages are difficult to sustain over time and require continuous re- orientations of the Business Model, has become crucial to the ability review/continually realign the skills/capacity business (the “Business Capabilities”) and processes operating. This implies the need to devote more scarce corporate resources with ongoing research improvements and innovations on changing priorities quickly. The mix improvement-innovation is highly variable over time depending on the competitive situation of the company and therefore requires

contingent also a more “entrepreneurial independence” in the past. This means that it is no longer appropriate/sustainable approach that sees programs generalized “parallel” of miles or amento bottom-up disjoint from those of the realignment of the capabilities and innovations. These streams are to be integrated and today prioritized in plans managed by line management in a very flexible manner (say “business” visa the risks involved and the need to make decisions based on much less analytic).

Fundamental to all of this, however, is the possibility of involving all company resources that can contribute, in an intelligent and focused.

As a result, companies are inevitably favored those who had already endorsed the logical involvement of the generalized integrated with corporate management systems (where the involvement had become one of whose “blood circulation” of the company).

Quite different to the situation of companies in which improvement programs based on the coin winding not had taken root, remaining generally LEVEL or “program” run by parallel structures and non-scheduled.

A clear sign of this situation is the fact that these companies needed to “wake up the enthusiasm” throwing away future campaigns with “flags/slogan” more emotional-formal and substantive, with the result that everything was increasingly seen as a “deja vu”. In these situations, these “past” have formed, and are still in effect, even an obstacle for management focus and dynamic he who serve today, based on the ability to quickly mobilize and focus the necessary resources.

These programs/campaigns have in fact created a culture of bureaucratic - Taylorist also in management improvement, difficult to eradicate than that based on standard stable that it had tried to overcome.

In this context, what is the current situation of SMEs (Small and Medium Enterprises) in Europe? E 'inevitably the consequence of the trends that characterize us:

- The presence of the situations prevailing organizational culture of type b), which did not allow capitalize on the potential of real involvement of corporate resources just described
- The degradation of technical and managerial skills of middle management
- l'ostinazione strategic focus solely on industrial productivity (read efficiency) to be managed in contrast/contract with union representatives
- The attempt to maintain production technologies best suited to emerging markets, rather than trying to move other technologies
- l'incapacità of SMEs and to seize the strategic trends, increasingly taking refuge in niches little lever on the future competitiveness
- la lack of “bodies corporate” cohesive, capable of reacting together, the Managing Director at the base, looking for real innovations rather than to practice unlikely strategies diversificative by shareholders, or equally unlikely practicing defensive strategies on the part of employees, often influenced by trade unions frequently not forward-looking.

In this regard, the Total Quality you can probably consider a major lost opportunity for many European companies.

It will, over a specific content, it was presented as an opportunity served on a “silver platter” to undermine the historical logic of conflict of interest in the company, as it could activate a real unity of purpose company, thanks to its logical involvement of high inter-hierarchical. They could also form the socio- cultural premise for a direct involvement of employees, and/or their representatives, in the management and sharing of the results of the company.

This involvement, once activated, would consentit or organizations to evolve, reorientarsi and re- invention a much more fluid, without the tensions that, in times of crisis, make the world of work yet more rigid and resistant to change.

Once united by shared logical and as so date of “continuous improvement” would have been far easier ability to orient these new priorities to win: “continuous innovation”.

And on this aspect you could make these considerations:

- I Japanese have managed to position itself at the highest level of global competitiveness by leveraging and “Industrializing” their greater ability to then “copy and improve.” I think all of us of a certainage well we remember the fact that the Japanese were calling as those” who could only copy”, then discover that they also knew “better”. This latter aspect was, however, we initially almost nubbed, because, being more innovative and creative we did not need to “stoop” to the improvement enough to invent new products and technologies to win!

- Trascurando the great” superficiality” of our interpretation with regard to innovation (they did then see what it meant to them to innovate, now also joined from Korea and China), there would, however, remained yet, according to our interpretation, competitive advantage : the “creativity”.

- If it is true that the Japanese have been successful thanks to their decision to industrialize their ability base consists of the “copy-improvement”, because we have not tried to do the same with our ability to “innovation-creativity” ? Unfortunately, we have noted that in regard we have witnessed no serious program, both at the national and, alas, also the company. We should say more: about creativity-innovation we heard and hear at conferences and meetings in many bragging about it. But never a real strategy or a serious program (they look like the typical exceptions that “prove the rule”).

Valga the example of Italy, where the creative ability is increasingly sold to companies in the Far East, both as know-how systems/districts and more businesses and individuals. Fewer helps to develop organic competitiveness and their country's GNP.

The methods of Total Quality as a new competitive advantage

A strategic approach correct, in a logic of Global Business, is to be interpreted as formed and segmented the business in a horizon of at least ten years from now. This scenario will be in good part the consequence of current trends with regard to the social development and behavior of purchase in the market.

Some of these trends are particularly important for the impacts to the subject matter of this article. They I'm :

- l'evoluzione mix of GDP in Western countries, which sees the percentage of the value produced by the manufacturing in sharp decline (now between 15 and 20% of GDP, compared with 80-85% of the Services). It should be noted in this regard that in the USA sub-category of services called “information management” is already a few

years more than 50 % of national GDP and is the only quadrant in growth

- la "bias" in consumption on the two extreme "product-service commodity" and "products-high value perceived", and continues with significant reduction in "average value of product-services"

- l'aumen to decided to interpenetration between a product and service that sees more and more products are purchased through the service of their function ("pay per use" rent, etc.), rather than as proprietary products (by smart phones, to cars, to power plants..). This is the phenomenon called "Servitizzazione" (*)

- l'affermarsi at an accelerated pace of the web channel for all transactions and also for internal activities to Supply Chain.

The above, in a synergistic combination almost disruptive, is driving fundamental, between other things:

- The direct, reactive and proactive, with customers (in reality WEB must be able to respond in "time real")

- The immediate removal of defects-problems (no longer mediated by intermediate structures between producers and consumers)

- The fast retrieval of trends in behavior in order to offer new products - services (the life of the products services has shrunk dramatically). Think of the new business models such as "Zara", but also to the development of pricing models for smart phones

- Supply of products in use (cars, phones, computers) through the direct management of the service by the supplier (fleet management, etc...)

- The monitoring and real-time management of all the problems in the consumer services (Commodity)through the high standardization of processes and relationship support (call center)

- Handling of refined Customer Care customized to the customers of the products - services with a high value (for brand/car/credit card exclusive).

The channel WEB, in particular, with its "real time", exalts any merit/ flaw/issue in a "viral" generating fast successes and failures just as fast.

Easy to conclude that the orientation to a Customer Satisfaction, detection and immediate removal defects, continuous improvement of processes, the design of products/services/processes "good now" and especially the involvement of the "Front Line" in an organized way to manage the above, the real competitive factors and differentiating to succeed in the scenario that is affirmed.

What we have just said is nothing more than the summary key points of the approach to "Total Quality", that appear to be thus fundamental today for the success (or only to compete).

It would therefore be desirable to revisit and refocus the world's WEB all the methodologies developed in this regard to have an easier success. This with a focus on how to develop and manage "Products Servitizzati", where would be the activation key to business groups "innoveation Servitizzazione", implying the involvement of all the inter-hierarchical corporate resources that can contribute. Of course, providing them with adequate methodologies for the detection of new "re valo" observed by market/customer (using in this case in an organized manner and also our pragmatic skills creativity). Emblematic about the successes that they are getting some companies, which have created new "Value propositions" winning and highly successful, including economic, involving the company in the front linerapid development of new proposals.

Instead of "re-inventing the wheel", it would be really appropriate to draw back with both hands in everything the movement of Total Quality uppato Dev has only a few years ago.

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