**CHAPTER 1**

**Introduction to Quality**

#### ANSWERS TO INSTRUCTOR RESERVE MATERIALS

Instructor Reserve materials are older Quality in Practice features and Cases from previous editions that may be used by the instructor to give the students additional experiences. These are available in the Instructor materials in a separate folder.

**Quality in Practice: Building Trust Through Quality at Gerber**

1. Gerber exemplifies several of the definitions of quality, including: transcendent quality, product-and value-based quality, fitness for use, and conformance to specifications. The company has enjoyed a superior brand image and exceptional customer loyalty for decades, transcendent quality traits of the “I know it when I see it.” quality definition. As will be seen below, Gerber’s quality is based on value and is also well grounded in solid processes, conformance to specifications (especially in product safety measures), and this ensures that their products are fit for intended use.

2. Gerber improved their customer focus by implementing a real-time customer feedback process via 800-number telephone lines in the 1980’s. It later extended that service to 24 hours a day in the 1990’s to provide even more customer access than previously. Employee participation and teamwork had to be gradually developed and fine-tuned from the 1970’s into the 1980’s, as employees and supervisors were trained to take on more responsibility for quality and process improvement. Gerber had always had a process focus, with a concentration on the best processes and ingredients for its products. Once teams were operating well, the company began a sustained effort to increase process control while decreasing line inspections. Front-line operators assisted in establishing procedures for each process and taking responsibility for quality, thus freeing inspectors to perform quality audits, instead of inspections. This HACCP-type system anticipated the new USDA guidelines by several years and enabled Gerber to stay ahead of the competition in developing and using this type of system. This resulted in a process improvement mentality that line employees bought into.

3. The consumer tampering case brought unwelcome media attention, and a full-scale investigation of Gerber’s quality processes. Because of the level of documentation, and Gerber’s continuous improvement efforts, the FDA gave Gerber a “clean bill of health” after only three weeks. This saved the company from further damaging after effects of the incident and proved the value of vigilant attention to processes and documentation.

**Case - A Total Quality Business Model**

1. Rob and Diane have a well-thought-out system for developing a sound infrastructure for their restaurant. In customer relationship management, they seem to have covered most of the bases on current needs and satisfaction. However, they may want to develop ways to tie these results into both their strategic planning process (what type of customers will they appeal to, what are their customer-related objectives that they will build into their marketing plan, etc.?) They may also need to consider a process to determine future needs of customers, perhaps by using a focus group, or groups. Will there be a need to develop products and services in the future to meet the needs of business customers, professional groups, etc.? Should they go into related businesses, such as catering, manufacture of specialty items for retail markets, etc.

The leadership and strategic planning framework seems to cover the vision, organizational structure, and processes that are needed. However, more emphasis is needed on setting, communicating, and deploying organizational values, performance, and expectations, action planning, allocating resources, projecting and improving performance, and encouraging environmental and community responsibility.

Human resource management concepts are good, in that they promote thorough training, benchmarking, and teamwork. However, management training could be done more systematically, rather than being “self-directed.” In addition, experienced managers should also take part in the training process to give the benefit of their experience. Managers is the same “cohort” of people who joined the firm at the same time, should get together periodically to have updated training and share best practices.

The process management of food production is a very important area. However, other processes, and process improvement, must also be considered, from customer relationship management, to training, to marketing, to scheduling, inventory management, and financial and cost control.

Data and information management is essential. However, it must be considered as the result of various processes, not the “process” itself. Employees need to be given relevant information, not be overwhelmed with data. Therefore, posting of all of these measures may not be desirable for all employees. Selected measures that have to do with overall performance, customer satisfaction, and overall financial performance of the firm (if employees are trained to understand such data) may be all that is required.

2. Viewing the organization at three levels may help to determine what is the most important quality focus. At the strategic level, top management needs to deal with competitive strategy, goals, objectives, and resource allocation. At the tactical level, middle managers need to be concerned with strategy deployment, acting as a conduit to and from top and first-line management, development and improvement of systems, recruiting and training managers, and monitoring results. At the operational level, first-line managers and employees should be concerned with processes for service delivery, keeping in contact with customer needs, teamwork, and process performance and improvement.

##### **Case - Is Quality Good Marketing or Is Good Marketing Quality?**

The value in this case study is to show students that quality concepts can be applied in retail service operations, and thus is not limited only to the production of tangible goods.

1. The actions taken by the company to please the customer address points 7 of Garvin's quality dimensions (described in detail in Chapter 4 – Customer Focus) -- aesthetics and also the area of perceived quality. Store appearance, warehousing policies, delivery standards, and customer relations all reinforce the visual (aesthetic) dimension of quality and add to the "image" (perceived quality) of the store(s). One area that was not addressed was that of support functions, such as accounting and purchasing, whose associates may interact with customers and/or suppliers. Have they been trained to use TQ concepts to improve product quality and excellent service, as well? For example, are accounting and purchasing processes being continually improved? Are suppliers (including company and non-company manufacturers) aware of the quality specifications and goals of the retailer? Are they working together to reduce time-to-market and to design products that will keep the customers coming back, based on quality of design as well as service excellence?

2. The franchiser's statement that: "The best way to assure quality is through product inspection and market research," could be open to some debate. If market research is not closely linked to product design, then customers may not be offered the product that they want or need. If continuous improvement and teamwork is not part of the process for delivering the desired product or service, then product inspection may come too late to be advantageous.

3. To answer the question: "Is quality good marketing, or is good marketing quality?" one must realize that the field of marketing grew up as a result of a "backlash" against "salesmanship" in the 1950's. At that time, the purpose of a "salesperson" was to sell whatever products the factory could produce, whether the customers wanted to buy them or not. Marketing suggested the radical concept of trying to find out what the needs of the customer were and then providing a product to fill those needs. As the PIMS studies have shown, quality is directly related to market share and to profitability. Other studies have shown that people are willing to pay more for products that they perceive as having high quality. Thus, without high quality, good marketing of products and services would appear to be impossible, since salespeople would have little to sell that would meet the needs of their customer. However, without good marketing, where salespeople listen and respond to the needs of customers, even the best-designed products will remain unsold.