

Understanding Quality Management

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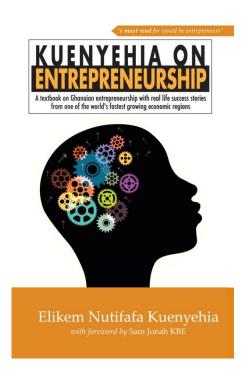




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Introduction

Proving you can deliver to agreed quality specification is key to retaining and winning new customers. Elikem Nutifafa Kuenyehia, a Ghanaian Lawyer by profession, has outlined the importance of focusing on your customers, your approach to meet specifications & how to continual improve the delivery of your goods or services.

How to Understand Quality Management

Quality management is the act of overseeing all activities and tasks necessary to maintain a desired level of excellence. In other words, it is the process of ensuring that the product or service of an enterprise is consistent. The process of quality management includes the creation and implementation of quality planning and assurance, as well as quality control and quality improvement.

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It is crucial for all enterprises to manage quality...where products and services are consistent it enables the enterprise to maintain customer satisfaction and loyalty.

It reduces the risk and cost of replacing faulty goods. An enterprise with a reputation for quality is also one that is likely to be very successful. There are several quality standards that an enterprise may adhere to. A major one is ISO 9001, published by the International Organization for Standardization.

An enterprise's quality management system is used to communicate the requirements for producing the desired quality of products and services to employees. This is meant to influence employee actions when engaged in tasks so that they will done in accordance with the laid down quality specifications. A good quality management system can be incorporated into a business by defining best practices that need to be adhered to for customer satisfaction, retention and employee empowerment amongst others into a document and insist on it adherence.



Principles of Quality Management ISO9001

The International Organisation for Standardisation (ISO) gives internationally accepted specifications for products, services and systems to ensure quality, safety and efficiency. The ISO has standards covering every industry including technology, food safety and healthcare. Its ISO 9000 quality management system is based on the following eight (8) quality management principles:

Customer Focus

This principle requires enterprises to understand current and future customer needs, meet customer requirements and strive to exceed customer expectations.

To meet this standard, enterprises must research and understand their customers' needs and expectations. The objectives of the enterprise must be linked to the needs and expectations of customers, and this must be communicated throughout the organization.

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Additionally, the enterprise must have a system of measuring customer satisfaction and acting on the results.

When these are done, the enterprise is likely to increase revenue and market share through flexible and fast responses to market opportunities, and improve customer loyalty, leading to repeat business.



Leadership

This principle requires the leaders of the enterprise to establish unity of purpose and direction of the organisation. Leaders must thus create and maintain and internal environment in which people can become fully involved in achieving the organisation's objectives.

In this vein, leaders must consider the needs of all interested parties including customers, owners, suppliers, the community and the society as a whole. They must establish a clear vision for the organisation, and set challenging goals and targets. They must provide their people with the needed resources to do their work, and the freedom to act responsibly and accountably. Also, the leader must inspire, encourage and recognise people's contributions.

A company that adheres to this principle will have employees who understand and are motivated towards the goals and objectives of the enterprise. Miscommunication between different levels of the organisation will be minimised and activities will be evaluated, aligned and implemented in a unified way.

Involvement of people

The premise for this principle is that, people at all levels are the essence of an organization and their full involvement enables their abilities to be used for the benefit of the organization.

When this principle is applied, people will understand their importance in the enterprise. They will therefore accept ownership of problems and the responsibility for solving them. People will also actively seek opportunities to enhance their competence, knowledge and experience. They will freely share knowledge and experience, and will openly discuss problems and issues.

The benefits to the enterprise include motivated, committed and involved people within the organisation. People will among others be accountable for their performance and will be eager to participate in and contribute to continual improvement.



Process approach

According to the process approach, a desired result is achieved more efficiently when activities and related resources are managed as a process.

In applying this approach, the enterprise must systematically define the activities necessary to obtain a desired result. It must establish clear responsibility and accountability for managing key activities, as well as identifying key interfaces within and between the various functions of the enterprise. It also enables the enterprise to analyse and measure the capability of key activities.

Benefits of this principle include lower costs through effective use of resources, improved, consistent and predictable results, and focused and prioritized improvement opportunities.

System approach to management

This involves identifying, understanding and managing interrelated processes as a system to contribute to the effectiveness and efficiency of the organisation in achieving its objectives.

The enterprise must structure a system to its objectives in the most efficient and effective manner. It must provide a better understanding of the roles and responsibilities necessary for achieving common objectives and understand the capability of the organisation in order to know where resource constraints exist and how to deal with them.

Key benefits include integration and alignment of the processes that will best achieve the desired results; ability to focus effort on the key processes; building confidence in interested parties as to the consistency, effectiveness and efficiency of the enterprise.



Continual improvement

Continual improvement of the organization's overall performance should be a permanent objective of the organization.

There must be a consistence enterprise-wide approach to continual improvement of the performance of the enterprise. People must be equipped with training methods and the appropriate tools. Everyone in the enterprise must continually improve products, processes and systems. Where improvements are made, they must be recognised and acknowledged.

Continual improvement leads to flexibility to react quickly to opportunities. It also improves the capability of the enterprise and enables alignment of improvement activities at all levels to the strategic intent of the enterprise.

Factual approach to decision making

Effective decisions are based on the analysis of data and information. This means data and information available to the enterprise must be sufficiently accurate and reliable. Data must be made accessible to those who require it for decision-making, and analysis must be based on valid methods.

Adherence to this principle leads to informed decisions; an increased ability to demonstrate the effectiveness of past decisions through reference to factual records; and an increased ability to review, challenge and change opinions and decisions.

Mutually beneficial supplier relationship

The final principle is that, an enterprise and its suppliers are interdependent, and a mutually beneficial relationship enhances the ability of both to create value.

The enterprise must thus establish relationships that establish short-term gains with long-term considerations. It must pool expertise with partners, identify and select key suppliers, and share information and future plans. It must also joint development and improvement activities as well as inspire, encourage and recognise improvements and achievements by suppliers.

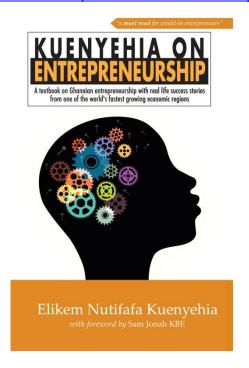
Benefits include increased ability to create value for parties, flexibility and speed of joint responses to changing market or customer needs and expectations, and optimization of costs and resources





Thank you for reading!

Please find more information on how to grow and strengthen your business in Ghana via Elikem Kuenyehia's book on Entrepreneurship.



Readers of this guide also found the following IIA report useful:

- o Embedding strong governance structures
- Meeting tax and accounting regulations

^{*}Special thanks to Thelma Tawiah for her significant contribution to this report