

Quality function at critical crossroads at firms

Once a critical part of the manufacturing process and still a major part of transactional processes for the past two decades, the quality function is now at a crossroads, according to a report by The Conference Board Quality Council.

Through interviews with quality and business leaders, surveys, and personal experiences, the council cites the changes needed for stronger alignment to CEO challenges. The Conference Board Quality Council comprises executives of companies known to be leaders in performance excellence and quality.

The good news is that many companies have already moved the quality professional from the back end of managing the production process to the front end – including understanding the customer. This is especially true in the services sector.

"The role of the quality officer is evolving," says Mike Adams, vice president, quality, Allegheny Energy Inc. "While many still have their roles seen as cost reduction by implementing defect and waste reduction strategies and continuous improvement efforts around satisfying customers, a growing number view themselves as a macro-leader, directly connecting their quality practices to top-line growth along with business trends of globalization, customer sophistication, talent management, environmental concerns and social responsibility that influence or impact business performance."

During the current economic downturn, as well as when the economy recovers, today's quality professionals can be revenue generators and revenue protectors, as well as cost-cutters -- all vital roles in holding the line while positioning the organization to take advantage of growth opportunities in the future.

A Conference Board Quality Council survey reflects that in many cases quality is only "somewhat aligned and influential" when addressing CEO and business challenges. This highlights the gap between what quality professionals know they can offer the C-suite and what the C-Suite expects of them. There is clearly room for an opportunity to seize, according to the report.

An organization's quality leader can add tremendous value in this time of severe budget cutbacks by committing to strengthen and build customer intelligence, improve operational excellence, systems thinking, speed to market and build the next generation of customer advocates. To address these challenges – even more critical in a downturn – quality practitioners need to draw on their practical use of established tools, techniques, and practices.

These quality practices can help corporations avoid such common pitfalls as emphasizing process over results; misaligning limited resources by working on lower-value items; diluting key measures that drive action aligned to bottom-line results; implementing measures that drive conflicting or bad behavior; delegating quality leadership to departments, leading to lack of responsibility; acting as if quality is a destination rather than a sustaining, cultural norm; dismissing past knowledge versus evolving lessons learned into continuous improvement and deploying quality without context and expectations.

Unfortunately, some corporate leaders may not be as familiar or experienced with quality metrics and strategies, or worse, having had a negative experience, may not fully appreciate what goes into systematically achieving and maintaining defect-free products and services and enterprise improvement. Consequently, senior executives may not fully appreciate what a quality leader does or how that person can help improve a company's top-line growth and profitability and better position it to seize opportunities during an economic recovery. Some unfavorable impressions today are tied to failures around how quality practices were deployed in the past.

"Even while the fundamentals and foundation of quality remain the same, the environment in which it needs to be implemented has dramatically changed," says Cassie Stern, vice president, customer care and quality, Nokia. "The world is transforming at a rapidly accelerating pace and the economic environment in 2009 and beyond demands greater agility and speed to market – just two factors that speak directly to the strengths of the quality executive."