



Total Quality Management Bulletin

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Aerospace Industry Total Quality Survey 1991

Update. By now you will have all received the results of Survey '91 (those who have not please so indicate on the attached form when you return it). We now turn our attention to the findings and recommendations.

The next step in developing the ISTC/AIAC Aerospace Total Quality Initiative is to confirm your needs by soliciting input and determine the most effective mechanisms to meet those needs. Two preliminary planning sessions have already been held and a third one is to be held in Ottawa in the AIAC Boardroom, November 27, 1991, from 10:00 a.m. to 3:00 p.m.

Attendance at this meeting will enable you to participate in the process of defining ISTC's and the AIAC's approach to fostering the implementation of TQM in the Aerospace industry.

If you cannot attend this important meeting but have some ideas you would like to pass along, please use the attached form to fax them to us.

We will update you on the results in our next TQM Bulletin, three months hence.

About This Bulletin. The Aerospace Total Quality Bulletin is published quarterly by the Aeronautics Branch of Industry, Science and Technology Canada (ISTC) in cooperation with the Productivity Committee of the Aerospace Industries Association of Canada (AIAC). The purpose of the Bulletin is to keep members of the Aerospace sector informed on the status of the ISTC/AIAC Aerospace Total Quality Initiative and to provide a forum for the exchange of news, ideas and experiences on quality and productivity issues.

In keeping with the spirit of Total Quality Management, the editorial staff is committed to the continual improvement of this Bulletin. Each issue will bring exciting new improvements designed to increase your TQM awareness level. Your suggestions will help. Short articles about TQM in your company would also be appreciated and should be sent to *Bob Atkinson, c/o ISTC/Aeronautics Branch, 235 Queen Street, Ottawa Ontario K1A 0H5.*



For Your Calendar

"Fulfilling Customer Expectations" is the theme for the AIAA Third National Total Quality Symposium and Exhibition, December 4-6, 1991, in Seattle, Washington. The symposium will focus on presenting Total Quality results achieved by government and industry. Panels featuring the Joint Logistics Commanders, industry executives, and leaders in academia will examine notable successes in Total Quality implementation. With presentations by most major U.S. aerospace firms, Canadian attendees are sure to find this symposium interesting and worthwhile. More information can be obtained by calling the AIAA at (202) 646-7464.

The American Society for Quality Control (ASQC) has the following conferences planned:

- The Malcolm Baldrige National Quality Award Conference, February 3-5, 1992, at the Washington Hilton Towers in Washington, D.C. AQP and NIST are also sponsors.
- The 4th Customer Satisfaction and Quality Measurement Conference, March 8-10, 1992, at the San Francisco Hyatt Regency in Embarcadero Center, San Francisco, CA. American Marketing Association is a co-sponsor.
- For more information on these conferences call ASQC conferences and exhibits department at (800) 248-1946.



Recent Reports. The United States Government Accounting Office (GAO) recently released the results of a study that was undertaken to determine the impact of formal total quality management practices on the performance of selected U.S. companies.

The GAO surveyed 20 companies that were among the highest-scoring applicants in 1988 and 1989 for the Baldrige Award. They found that companies used no "cookbook" approach in implementing a successful total quality management system but some common features that contributed to the companies' improved performance were identified. For example:

- corporate attention was focused on meeting customer requirements;
- senior management led the way in building quality values into company operations;
- employees were suitably trained, empowered and involved in efforts to continuously improve quality and reduce costs.

The survey found that quality management is useful for small companies as well as large companies. The companies surveyed began to focus on quality in the mid-1980s and their quality efforts are still evolving. On average, these companies improved their performance in about 2½ years. Importantly, management allowed enough time for results to be achieved rather than emphasizing short-term gains.

The report, which is entitled "MANAGEMENT PRACTICES - U.S. Companies Improve Performance Through Quality Efforts", makes interesting and worthwhile reading and is available, free of charge, by calling the GAO at (202) 275-6241 and asking for report number GAO/NSIAD-91-190.



Conference Feedback

Competing Through Continuous Improvement With International Perspectives on Total Quality Management was the theme of the recent QPMA Fall 1991 Conference held October 8-11 in Toronto. The quality of the speakers and their presentations were excellent. 326 registrants from five different countries attended.

Mr. Kees J. van Ham, Secretary General of the European Foundation for Quality Management (EFQM) gave an interesting overview of the European Quality Management Movement.

The objective of the EFQM is "to enhance the competitiveness of Western European businesses in the world markets". The organization was founded in 1989 and has members from over 150 Western European organizations. Mr. van Ham stated that "TQM is now recognized by a growing number of enterprises as the most powerful competitive weapon" and it is hoped that the EFQM will "become the leading organization for promoting and facilitating TQM in Western Europe".

An interesting and thought-provoking Keynote Address was given by Mr. Ken Kivenko, President, Allied-Signal Aerospace Canada. Mr. Kivenko stressed the fact that "changes, challenges and opportunities are the order of the day" in the aerospace and defence business. He stated that: "Companies must change the way they do business. Good enough is not Good Enough. The only measure that matters is the one used by the customer". Mr. Kivenko sees the decade ahead as one "requiring stronger leadership, trust and employee empowerment". He noted that good ideas come from all levels of the organization and challenged everyone to "pro-actively seek out these ideas and manage change".

A copy of Mr. Kivenko's address can be obtained by calling Peter Rethazy, Manager TQM for Garrett, at (416) 675-1411.

Dr. Joseph Juran was another featured speaker with an important message for us all. Dr. Juran stated that "product quality is now widely recognized as a major force in the competitive marketplace and in international trade". He discussed the "stunning achievements" - productivity doubled, costs reduced by 50%, defect levels reduced by an order of magnitude - made within a few years by the Malcolm Baldrige National Quality Award winners.

These results were achieved in part through:

- establishing of "stretch goals" such as a tenfold quality improvement in four years and a 12 month reduction in product development cycle;
- extensive training in how to manage for quality and how to make improvements;
- heavy emphasis on employee involvement (Dr. Juran noted the emerging phenomenon of "self-supervising worker teams");
- recognition as a major form of employee motivation;
- complete upper management commitment through accepting personal responsibility for certain decisions and actions critical to achieving world-class quality (he stressed that such responsibility is "not delegable").

Dr. Juran emphasized that whoever wants stunning results has to face the fact that the required effort adds substantially to the work loads of participating personnel, including upper managers.

The prognosis, he says, is that it is quite likely that the Baldrige Award will become a major rallying point for a renaissance in quality in U.S. industry. He has become optimistic for the first time since the quality crisis descended on the United States.

Manufacturing '91, the West's leading conference in 1991 for manufacturing and related industries was held in the Calgary Convention Centre September 19 and 20, 1991. The premier sponsors of the conference were Hewlett Packard, the Alberta Research Council, Western Economic Diversification Canada, and the Calgary Economic Development Authority.

The theme of the conference, "Successfully Integrating Quality, People, and Technology", was right on target. The organizers designed the conference to provide "real world" solutions to the issues facing manufacturers' today and attendees got exceptional value for their time and money.

One of the keynote speakers was Mr. Jim Wright, Immediate Past Chairman of the CMA, who spoke on "Competing in the 90's". He stated that the vision of today's successful firms, both large and small, must be global in scope. He believes that Canadian companies unable to think in international terms are in very real danger of losing their national and local markets. He went on to say that the barriers that once protected inefficient firms are falling and the trend is accelerating. The move toward a world market cannot be stopped.

Mr. Wright sees Canada as being ill prepared for today's rapidly changing patterns in world trade. He believes that as a nation we must be able to compete in manufacturing, and the key to our success in this area can be summed up in two words: *total quality*. Canadian companies that prosper in the tough markets of the 90's will deliver their products and services with a level of quality that will clearly distinguish them from the also-rans.

Mr. Robert Kausen, President of Life Education Inc., Trinity Center, California gave a thought provoking presentation on "The Human Dimension" which he sees as the critical link between quality, people and technology. He stated that most managers approach people via information, techniques, standards, and goals. This has little impact because adding to existing information rarely changes anyone. Unless the way people think about, and see their work changes, performance remains the same.

Mr. Kausen believes the vehicle for lasting change is understanding - even a small shift in understanding can have a dramatic impact on employee performance. He went on to

say this shift must be started with the CEO. Top management must have the resolve and courage to live what they want to bring to the organization. They must ensure that everyone understands what quality is and is able to see the possibilities for evolving beyond their current vision.

Michael L. Pfeiffer, President and CEO, Hughes Aircraft of Canada Limited, Calgary, Alberta, discussed Hughes' approach to TQM. Mr. Pfeiffer sees us at a turning point in our history and he believes that "Continuous Measurable Improvement (CMI) will appear as a process in the portfolio of tomorrow's winning businesses". He stated that CMI is essentially a cultural attitude that says every single function in a company can be improved significantly and continuously by modelling it, measuring it and thinking about it in new and creative ways.

At Hughes, CMI, is not a "program", it is based on individual initiative and encompasses many tools such as Cycle Time Management, Quality Function Deployment, and Benchmarking. But Mr. Pfeiffer stressed that the most fundamental tool was the mobilization and capture of the enormous capabilities and talents of all their employees. He went on to say that their participation, their ideas, and the aggregate power of their ownership can fundamentally alter the competitive posture of a company and a country.



Next Issue

In addition to the usual we hope to be able to provide you with a list of colleges and universities in Canada that provide TQM training.

Also look for a review of the hottest selling quality and productivity books.

What else would you like to see?

Your suggestions are welcome.