

Strategic quality planning



**ASSIGN
BUSTER**

Quality is strategic. This may seem somewhat obvious, but the actions of Companies implementing quality measures often obscure this fact. This is especially true when a company is in a reactive mode and does not use effective planning. In this chapter we discuss important aspects of strategic quality planning. Strategic planning has two important dimensions: content and process. Strategy content answers the question of what is to be contained in the strategic plan. Method consists of the steps used to develop the strategy.

In this chapter we first discuss content and then process. Finally, we look at quality results and whether quality has been shown to yield bottom-line results along the supply chain.

STRATEGY CONTENT

Why is quality planning important? As we have discussed in previous chapters, quality improvement is a planned managerial activity. As shown in this Chapter, quality improvement involves identifying potential improvements, prioritizing potential areas for improvement, and planning the implementation of projects and improvements.

What are the content variables that should be included in strategic quality planning? Among the variables we discuss are time, leadership, quality costs, generic strategies (cost, differentiation, and focus), order winners, and quality as a core competency. These content variables outline key considerations when developing a strategic plan. These considerations are either explicitly or implicitly addressed in the strategic planning processes discussed later in the chapter

THE IMPORTANCE OF TIME IN QUALITY IMPROVEMENT

We discuss two aspects of time: the time it takes to reach business goals as a result of quality and the rate at which companies improve. Real-life experience shows that time is a key variable in improving quality. A major study of best quality-related practices undertaken by Ernst and Young² was critical of total quality management - TQM programs for not providing bottom-line results. At the same time, the Ernst & Young Mission at the Ritz and Young study advocated the implementation of TQM.