

A review report on nigerian breweries management essay



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Over the years, global competition has been on the increase, especially within the manufacturing industries. These industries have sought to improve their competitiveness by improving quality. To ensure the success of their quality improvement effort, these companies have adopted an integrated approach commonly referred to as; Total Quality Management (TQM).

TQM is “ A management philosophy for continuously improving overall business performance based on leadership, supplier quality management, vision and plan statement, evaluation, process control and improvement, product design, quality system improvement, employee participation, recognition and reward, education and training, and customer focus.” (Roy, R. N, 2005)

This paper is firstly going to talk about a manufacturing organisation in Nigeria, called Nigerian Breweries Plc., its products and services, order winners and qualifiers for the company, then goes further to discuss its operational processes.

Secondly, the paper looks at TQM as it relates to the manufacturing industry; this will include definitions of TQM and quality, the concept of TQM, applications and the different frameworks. The operational benefits of TQM and its future development will also be looked at. A literature review will be done to identify the concept of TQM from quality gurus like Crosby, Feigenbaum, Juran, Deming, Ishikawa, and others.

Lastly, the implementation and likely challenges of implementing TQM by Nigerian Breweries plc.(referred to as ' the organisation', for the purpose of this report) will be discussed.

1. COMPANY INTRODUCTION

1.1 Nigerian Breweries PLC. (NB Plc.)

NB Plc., is the pioneer and largest brewing company in Nigeria, West Africa. It was incorporated in 1946, and by 2004 it has 6 functional breweries, and boasts of having one of the most modern breweries in the world.

NB Plc., is involved in brewing, marketing and sales of alcoholic and non-alcoholic products like lager beer, stout, soft drinks and malt drinks.([http://www. NB plc. com](http://www.NBplc.com)). The company has a portfolio of high quality brands of both alcoholic and non-alcoholic drinks and the manufacture of beverage related products like corks, bottles, packing crates, etc.

Because of the variety of drinks produced, the company has both the old and the young, male and female patronising them. The company has something for everybody, especially the youth.

1.2 Order Qualifiers and Winners

The order qualifiers and winners for the company are its product design, which is always done in such a way to make it more desirable and useful for its users; performance; low cost; high quality, NB Plc., meets the ISO 9000 quality standard and the National Agency for Food and Drug Administration and Control (NAFDAC) standard ([www. nafdac. gov. nig](http://www.nafdac.gov.nig)); consistency; style,

which makes their products stand out; efficiency in distribution and reliability.

In NB plc., the people in operations are the ones responsible for providing the order winning and order qualifying criteria that has been identified by the people in marketing, to match or even exceed the customers' perception of the products.

The company has a research and development centre to enhance its research activities on all aspects of brewing operations. It keeps pace with key international developments, thus ensuring that its systems, processes and operational procedures are always in conformity with world class standards. ([http://www. NB plc. com](http://www.NBplc.com))

NB Plc., delight its customers by consistently meeting their requirements, thereby achieving a reputation of excellence and customer loyalty.

2. Operational Process

In NB plc., the procurement department gets the raw materials from the suppliers and sends it to the production department where the production process takes place.

In the production department, the raw barley grain is milled, then mashed and filtered. After filtering to remove the impurities, the wort is now boiled for about 10-12 hours then allowed to cool. NB plc produces both alcoholic and non alcoholic malt drinks so at this stage, the product is separated to the different segments and then yeast is added to the part that is meant to be alcoholic and left to ferment for about 10-12 days.

After the fermentation, clarifying is done to brighten the beer. It is now stored in a well sterilized barrel for some days to undergo some processes again, before it is now transferred with tankers to the bottling department where it is finally bottled in labelled containers waiting to be shipped out.

While all these are taking place, the maintenance department is on ground to ensure the smooth running of the machines, and the performance department makes sure that all staff is active and that the product conforms to specification.

The distribution department is responsible for the proper distribution of the products to the various outlets, before it finally gets to the shops/customer.

Basically, all the various departments in the organisation work together to ensure that quality is delivered and on time.

3. LITERATURE REVIEW

3. 1 TQM Concept

Total Quality Management (TQM) is “ an effective system for integrating the quality development, quality maintenance, and quality improvement efforts of the various groups in an organisation so as to enable production and service at the most economical levels which allow for full customer satisfaction.” Feigenbaum, A. V (1986).

TQM can also be defined as “ a management approach that aims for long term success by focusing on customer satisfaction. It is based on the participation of all members of an organisation in improving processes, products, services, and the culture in which they work.” (Website)

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3. 2 Quality

There is no single or universal definition of quality, because it depends on the person defining it. When defining quality in a manufacturing organisation, you look at conformance to specification, performance, durability, features and serviceability. But when it comes to a service organisation, quality can be defined by perceptual factors, like the friendliness of the staff, courtesy, promptness, atmosphere, etc. And this is because service is experienced.

Making quality a priority simply means that you put the needs of your customers first. Quality should be aimed at two needs of the customer, the present and the future. The customer is no longer king – he is the main reason for the organisations existence. Feigenbaum, A.(1991) went as far as saying, “ Quality is now the single most important force in organisational success and growth in national and international markets”.

Models Of TQM

Deming, E. D (1986) The pioneer of quality methodology in Japan. His approach to quality is aimed at understanding the causes of two types of variation: Uncontrolled and controlled variation. He believes management is responsible for 94% of quality problems. Demings 14 point plan in addition to promoting product/service quality can be applied to organisations in the public or private sectors. The first step is creating constancy and purpose in improving products, second step is to adopt the new philosophy, thirdly you cease dependence on mass inspection to quality and end ‘ lowest price’ purchasing. The fifth step is to constantly improve systems, then institute modern methods of training on the job and institute leadership, the next step

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is driving out fear, then breaking down barriers between departments and exhortations eliminated. The eleventh step is to eliminate work standards that prescribe numerical quotas, twelfth step is to Permit pride of workmanship and encourage education and training, lastly Commitment from top management is required.

He also encouraged a systematic approach to problem solving and promoted the Plan, Do, Check, Act (PCDA) cycle.

Like Deming, Joseph M. Juran (1993) believes that main quality problems are due to management rather than workers. He considered quality management as three basic processes (the Juran Trilogy): Quality planning, which is the starting point; Quality control and finally, Quality improvement. He concentrated on not just the end customer but on other external and internal customers. He developed the concept of cost of quality, and defined four major categories, which are; Internal failure cost, External failure cost, appraisal cost and prevention cost. (Fryman, M. 2002)

Less academic in approach, Philip B. Crosby(1979) introduced the concept of zero defects, and blames workers for lack of quality. He claims that mistakes are caused by lack of knowledge and lack of attention, which can be cured by education, training and a personal commitment to excellence. He also developed 14 steps to a quality improvement program for firms, which includes; setting up a quality improvement team, raising the level of quality awareness, planning a zero defects programme, error cause removal, establishing quality councils and going through the process over and over again. His approach though different, is just as effective.

According to Kauru Ishikawa (1985), quality management extends beyond the products and encompasses after sale service, the quality of management, individuals and the organisation itself. He has been associated with the development and advocacy of universal education in the 7 quality control tools (Ishikawa, 1985) the Pareto chart, Cause and effect diagram also known as the Ishikawa diagram, Stratification Chart, Scatter Diagram, Check Sheet, and Histogram. According to him, these tools are to be used to analyse problems and develop improvements. Used together, they form a powerful kit. (www.dti.gov.uk/quality/guru).

Genichi Tagushi (1993) defined what product specification means and how it can be translated to cost effective production. His product development includes (1) system design (2) parameter stage (3) tolerance design, which is basically finding the balance between manufacturing cost and loss.

Considered the father of statistical process control (SPC) is Walter Shewart (1986). His ideas formed the basis for a process oriented approach to quality control.

Rather than focusing on theory, Shingeo Shingo(1986) focused on practical concepts that made immediate difference. He is one of the world's leading experts on improving the manufacturing process, and created many of the features of just in time (JIT) manufacturing methods and processes.

The originator of total quality, Armand Feingenbaum(1986) argued that the quality chain starts with all customers requirements and ends only when the product has been delivered to the customer who remains satisfied. He

emphasized that rather detecting poor quality after the event, effort should

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be made towards its prevention i. e it is cheaper doing it right the first time. (milakovich, M. 2006).

This approach is appropriate for an organisation like NB Plc., where it is believed that quality is everybody's job, where management and employees have a total commitment to improve quality, and people learn from each other's success. According to Feingenbaum, control has 4 steps, which are:

Setting quality standards

Appraising conformance to standards

Acting when the standards are exceeded

Planning for improvements in the standards.

3. 4 Benefits Of TQM

With the introduction of TQM in NB Plc., there has been a number of benefits, including;

Higher quality of products – With TQM, products are constantly checked, assessed and corrected. This way there is a continuous improvement in the products manufactured.

Customers are better satisfied because products are continuously improved to meet the requirements and needs of the customer.

There is better production from employees, because the working environment is a lot conducive, everybody is cooperative.

The company is more effective, doing the right things at the right time.

There is a reduction in waste and the overall cost of production.

3. 5 Prospects Of TQM in NB Plc. In The Next Five Years

Competitive firms continually increase their quality standards, so as the years go by, better innovations are made.

Utilization of the advancing information technology systems will play a major role in the success of the manufacturing industry. Production processes will be shortened, thereby making production faster.

I believe that in the next five years, NB Plc., if able to build a strong TQM culture, with the key components of TQM being leadership, management of the people, staying customer focused, using the right information and analysis, process improvement, good strategic and quality planning tools, will be a lot more effective.

According to Harrison, M.(1996) “ the recipe for the effective management of quality is therefore a diverse mixture of techniques, procedures, and organisational concern. There is no one way of achieving quality.” To me, this means that combining a Few other philosophies like Lean management, six sigma, etc could bring more effectiveness in the future.

4. 1 Recommended Implementation Plan

Waldman and Gopalakrishnan (1996) said that “ For an organisation to realize the value of a TQM implementation, it has to have an internal organisational structure that is capable of fully supporting the

implementation” so, for the implementation by NB PLC. to be successful, there should be strong top management leadership and commitment, employee involvement and empowerment, customer focus, supplier partnerships, a focus on continuous improvement, and the recognition of quality as a strategic issue in business planning. Using SPC and statistical tools, performance measures focusing on quality, product and service quality in design, actions based on facts and the role of a quality department and specialists are also very important.

I don't think that any single approach contains all the keys to quality, and no single approach can be applied to all company situations, so I think that NB Plc., should combine other different factors, such as developing its TQM culture, acquiring the proper quality infrastructure, and system readiness. Training and developing team work, to create a better understanding of what is needed to be done will also contribute to the success of the TQM program.

4. 2 Challenges

Very few manufacturing companies have been able to ignore the elements of TQM and still succeed. Unfortunately, simply adopting the quality improvement programs will not guarantee success unless properly implemented. Some TQM critics say that the principles are too theoretical and broad to be practical, and they can be confusing and difficult to implement considering the fact that errors have a way of multiplying, so once the requirements in one area or part is not met, it creates problems elsewhere, leading to more errors and even greater problems, and so on.

Considering the fact that NB plc already has a prior knowledge of the TQM process, the challenges they need to overcome for a more successful implementation include: Lack of support from senior management, Lack of understanding of the TQM concept by the employees, sometimes there tends to be more focus on profit and less focus on services, not having properly documented policies and procedures, having little or no feedback on customer needs can be a great challenge, considering the fact that the program is supposed to be customer focused. There is also the challenge of having a connection and cooperation between the employees and top management, because to be truly effective, each component of the organisation must work properly together. Each part, each activity, each person in the organisation affects and is in turn affected by others.

Conclusion

From the report, it can be concluded that NB Plc. Nig. has a good TQM culture, although they still need to continuously work on always improving, knowing that quality doesn't just happen but has to be managed.

Because of the contradictions between the gurus' approaches, as well as the many common features, feigenbaum's approach to TQM was used since it is purpose built and tailored to suit a manufacturing industry like NB Plc and its current and future needs.

According to Deming, W. E (1986) " Defects are not free, somebody makes them and gets paid for making them", so, the benefit of getting it right the first time every time and everywhere cannot be over emphasised.