

The 3rd Global Quality Summit – ISQ Conference 2012

A. Summary of the Proceedings

The 3rd Global Quality Summit was held in New Delhi on 26th and 27th November 2012. Theme of the Conference was Reinventing Quality for Tomorrow's Challenges. Summary of the proceedings of the Conference follow:

Mr Ajay Shankar, Member Secretary National Manufacturing Competitiveness Council, Government of India

In his inaugural speech, Mr Shankar reminded the participants of how quality has been an intrinsic part of our early civilization. He gave reference to ancient India's architecture, temples, music and various other art forms. He explained how we should make quality an intrinsic part of our daily life and proposed that we imbibe these principles in India's young generation. He urged that the quality professionals work together so that quality becomes an integral part of our lives.

Mr Arun Maira, Member – Planning Commission, Government of India

In his keynote address, Mr Maira shared his personal experiences of his long career and explained the need of coordination, collaboration, and implementation for the tomorrow's India within the framework of its democratic system.

He elaborated on the initiatives of India Backbone Implementation Network (IBIN), and put forward his vision of a great society, how to realize that vision, and what kind of leadership is required to realize that vision.

Mr L Lakshman, Chairman, Rane Holdings Ltd.; the Jamshedji Award Winner

Mr Lakshman, in his acceptance speech shared with the audience his Rane Group's quality journey. He explained the situation prior to embarking on this journey, and what was done to transform the Group. According to him, Quality Management is not a discipline, but a philosophy. He explained that companies can get loyal customers only if they become loyal suppliers to their customers. His philosophy of treating people with respect, engaging employees by training, education, and empowerment, fact-based decision making, and process management has led his Group Companies to be recipients of Deming and Grand Deming Prizes—a testimony of the excellence that he has pursued.

Mr Tetsuji Ohashi, Director and Senior Executive Officer – Komatsu Ltd., Japan

Komatsu is a US\$ 25b Group with 52K employees. They are either number 1 or number 2 in the world in their businesses and have been very successful, profit-making company.

Mr Ohashi shared Komatsu's quality journey since early '60s when they decided to compete with the global giants and world leaders in the field. There were several ups and downs in this journey. Value of the Japanese Yen against the US\$ changed drastically to their big disadvantage. Many other

changes happened in the business environment. However with their constancy of purpose and the never-give-up-attitude they continued following the TQM way.

According to Mr Ohashi, TQM is necessary, but not sufficient if an enterprise has to maximize its corporate value. Appropriate technology, skills, and know-how—what he calls technique—is also needed in addition to TQM.

He explained that development of middle managers for the future is an important requirement in today's globalized world. He shared the Komatsu Way and requirements of the top management according to this way:

1. Top manager's familiarity with *Genba*,
2. Policy deployment, and
3. Human Resource development.

He defined Komatsu's branding strategy through a simple definition: Branding is the strategy to make customers keep buying. They accomplish this by making Komatsu an indispensable partner of customers. This is, of course, supported by providing "DANTTOTSU" or unique superior products and services to the customer.

The detailed presentation that Mr Ohashi made was supplemented by equally detailed explanation by him.

Acn. Dr Noriyaki Kano, Honorary Chairperson – Asian Network for Quality

In his address, Dr Kano explained in a very simple, yet elegant way how shareholders' expectation, which is making profits, is linked with quality. Profit depends on the one side on revenues, and on the other side on costs. Both revenues and costs are, through a causal relationship, linked with quality, although in two different ways.

He thereafter proposed a key measure of quality: price of used products. The value that customers are willing to pay for a used product can be an excellent metrics for measuring quality and reliability of our products.

Finally on the subject of sustainability, Dr Kano argued that only a strong global leadership can solve the problem of environmental effects on the planet Earth.

Acn. Janak Mehta, President IAQ

While talking on the subject of the new professional, steeped in the quality way, Mr Mehta presented world's progress on quality in terms of technology, management, and stakeholders. He then gave an overview of the current situation concerning quality and quality management in India, the US, Europe, and Japan.

He presented his view of the future of quality and showed that the new professional needs to know the same basic principles of quality yet will have to have the new techniques to deal with the new requirements of tomorrow.

Mr Zhang Gang, Counsellor – State Council of China

Mr Zhang briefed the audience about the status of quality in China and the government's plans for the next decade. China has prepared a document named 'Quality Development Outline for 2020' and a strategy is in place to improve quality in manufacturing, service, and infrastructure.

Dr Wolfgang Kaerkes, Executive Secretary (DGQ), German Society for Quality

Dr Kaerkes shared in a much focused way future challenges for companies and how the quality professional of tomorrow needs to move from his traditional role to the one of being an organizational developer, a change manager, and an internal advisor.

Acn. Sister Mary Jean Ryan, Chair, SSM Health Care, USA, and Chair IAQ

In a very passionate speech Sister Mary Jean Ryan shared how her not-for-profit health care organization transformed itself through the Malcolm Baldrige challenge. The first step to this revolution was the awakening at the top. It was quite clear that the key success factor for her organization's achievements has been her single-minded pursuance of excellence. Important thing was that her organization learned their difficulties very quickly and acted to overcome them. Her messages of (1) caring about patients' time rather than ours, (2) being exceptional is about competing not with the average, and (3) considering all employees as leaders were most powerful. The single most important takeaway from her speech was that service to customer is the work of heart and spirit, not of the brain.

Dr Narottam Puri, Chairman, National Accreditation Board for Healthcare (NABH)

Dr Puri showed with statistics current status of healthcare industry in India and elaborated on the importance of quality in healthcare. He defined quality through three As of Assurance, Availability, and Affordability. He explained how new standards in healthcare are being established in India by NABH.

Dr Puri also asked the audience to give due consideration to quality while choosing to visit a healthcare service centre such as a hospital or a clinic.

Acn. Dr Robert E. King, CEO and Founder GOAL/QPC, Chair IAQ TT in Healthcare

Dr King in his presentation on applying quality thinking to India's healthcare challenges made some very strong points about patients' and pharmacists' involvement in the healthcare system. He demonstrated how TQM's one of the basic principles of focusing on vital few and the tool of Pareto analysis can be effectively applied in the healthcare domain.

He thereafter made a strong case for India to focus on diabetes care by applying methods of radical innovation for improving health of its population.

Ms Harleen Kaur, Director at ICUC Consultants Pvt Ltd, and Associate Director at KPMG Advisory

In the session on sustainability, Ms Kaur pointed out how corporates were taking up the responsibility of sustainability. She brought six different elements of environmental sensitivity,

labour practices, product responsibility, societal responsibility, human rights, and economic progress under the umbrella of sustainability.

Acn. N Ramanathan, Advisor, SRF Ltd., Chair IAQ on Planet Earth

On the question of applying quality management to tackle the global environmental crisis, Mr Ramanathan deliberated on the seven challenges of food scarcity, resources depletion, population increase, climate warming, spread of diseases, waste generated by humankind, and irradiation.

Mr Ramanathan proposed to use Dr Taguchi's loss function and sought to divide the sustainability challenges into technical and human challenges. While the technical challenges may be easy to tackle, human challenges will be formidable to solve. Fortunately, TQM has answers to both types of the challenges due to its strong foundation of problem solving and humanised operations.

Acn. Ronald Jahnke, Director Deutsche Post World Net and Chair IAQ TT on Education

In the last session on Educating the World Citizen, Mr Jahnke covered the concepts and actions by IAQ in the area of education. He explained education-related initiatives between IAQ and UNESCO, and introduced the audience of the new joint initiative by IAQ and ISQ for improving the quality of education in India.

Acn. Janak Mehta, President IAQ

Mr Mehta elaborated on the Indian education scene in great details and presented the huge challenges in front of us. He presented a holistic model for tackling the mammoth task of educating the world citizen.

Mr S Gopalakrishnan, Director – Inogra Technology Services and Director – Europa Technosoft

In his interesting speech, Mr Gopalakrishnan presented the education scenario in India from a very practical point of view. He urged delegates not to accept substandard quality levels of education for their children.

Mr Bharat Wakhlu, Resident Director, Tata Group

In the concluding session, Mr Wakhlu summarised proceedings of the Conference by explaining various facets of quality and how an organization needs to transform itself to face the newer challenges being confronted all the time. He placed in front of the delegates the fundamental principles of total quality management in a very forceful manner.

B. Lessons Learned – The Seven Takeaways

Following are the Seven Takeaways of the Conference:

1. ***Quality is the driver for profits.*** To survive, companies need profits. Profits depend upon revenues and costs. Quality Management has tools and techniques to increase sales revenues and lower costs. Thus, quality can drive profits for companies.

2. **TQM has solutions for every challenge.** Every challenge can be categorised as a technical problem, or a human-related task. Fortunately, TQM has solutions to the both types of difficulties. Its problem-solving toolkit offers methods to solve technical problems, while its proven methods of teamwork and employee engagement can tackle every human-related issue.
3. **Methods of TQM can be universally applied.** TQM can be effectively applied in any field. Its methods are valid not only in manufacturing, but also in healthcare, education, governance, and every other such area.
4. **Success of TQM requires a long-term viewpoint.** Results of TQM cannot be expected overnight. We need perseverance, a constancy of purpose, and a never-give-up attitude to succeed in the TQM journey.
5. **Motivation for TQM comes only from the market.** There is no motivation for TQM in a sellers' market. Severe competition in a buyers' market forces companies to pursue the quality path for survival. In absence of any threat to survive, companies are not driven to follow the TQM way.
6. **A new professional is required to face the new quality challenges that will be posed by the future.** The speed of change is exponentially increasing, and the challenges posed by the future will be significantly different than the challenges of today. These new challenges will need a completely different professional.
7. **The most important driver of TQM is the passion, the heart, and the spirit of members of an organization.** No matter which industry and field, quality will be driven by people's enthusiasm.

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*Prepared by Kiran Deshmukh
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