

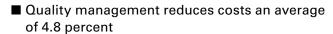


What's the ROI of Quality?

Currency in U.S. dollars.



- ■\$6 in revenue
- \$16 in cost reduction
- \$3 in profit



- 93 percent of organizations agree quality management was significant driver of success
- 83 percent of organizations agree that without quality management they could not justify their pricing to customers

Six Sigma ROI

- Average return of more than \$2 in direct savings for every \$1 invested
- Average savings of 1.7 percent of revenues over implementation period



ROI of Baldrige Performance Excellence Program

■ Data for three measures of program value showed combined **benefits/cost ratio**of 820:1



1

2

ISO 9001 ROI

- 2010 Harvard Business School study of business benefits for 916 adopters vs. 17,849 nonadopters:
 - Higher rates of survival, sales, and employment growth
 - Increased wages
 - Reduction in waste generation
 - Enhanced worker productivity
 and ability to pay closer attention to detail
- 1 June 2012 study by the Center for Economic and Business Research. From "Lasting Impression," *QP*, November 2012, asq.org/ quality-progress/2012/11/ quality-management/lastingimpression.html
- "Costs and Savings of Six Sigma Programs," Quality Management Journal, October 2012, http://rube.asq.org/qualitymanagement/2012/10/six-sigma/ costs-and-savings.pdf

Snee, R. D., and R. W. Hoerl, 2004, Six Sigma Beyond the Factory Floor: Deployment Strategies for Financial Services, Health Care, and the Rest of the Real Economy, Upper Saddle River, NJ: FT Press 3. "The Impact of Baldrige on Organizational Performance," The Journal for Quality and

Participation, April 2012, http://rube.asq.org/qualityparticipation/2012/04/baldrigenational-quality-program/theimpact-of-baldrige.pdf (survey covered all applicants from 2006-2011)

4 2010 Harvard Business
School study comparing
916 organizations that have
adopted ISO 9001 and
17,849 nonadopters comes
from "Standard Wise," QP,
September 2013, asq.org/
quality-progress/2013/09/
standards/standard-wise.html