



# What's the ROI of Quality?

Currency in U.S. dollars.

**Every \$1 spent on a quality management program returned:**

■ **\$6** in revenue

■ **\$16** in cost reduction

■ **\$3** in profit

■ Quality management reduces costs an average of 4.8 percent

■ 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



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## 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

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## ROI of Baldrige Performance Excellence Program

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

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## 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

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- 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/lasting-impression.html](http://asq.org/quality-progress/2012/11/quality-management/lasting-impression.html)
- 2 **"Costs and Savings of Six Sigma Programs,"** *Quality Management Journal*, October 2012, <http://rube.asq.org/quality-management/2012/10/six-sigma/costs-and-savings.pdf>
- 3 **"The Impact of Baldrige on Organizational Performance,"** *The Journal for Quality and Participation*, April 2012, <http://rube.asq.org/quality-participation/2012/04/baldrige-national-quality-program/the-impact-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](http://asq.org/quality-progress/2013/09/standards/standard-wise.html)

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