

Why Quality Management Should Have a Seat at The Boardroom Table

By Naveen Poonian, Vice President of Strategy for iBASEt

The relevance of manufacturing in a modern business environment now extends far beyond the four walls of the shop floor. The many product and operational decisions that C-level executives make on a daily basis involve numerous production issues and collaboration challenges with suppliers around the globe in an effort to produce products that are relevant and adhere to the highest quality standards.

Look no further than the serious issues with Samsung's Galaxy Note 7, which has fallen into the media spotlight over reports that the product is a fire hazard. The phone-maker has reportedly changed battery suppliers since then, but the cause still remains somewhat of a mystery.

Quality is increasingly challenged by a volatile business environment including rapidly changing global markets, the emergence of disruptive technologies, new and often daunting regulations, and the impact of social media. Aging quality management practices, in particular, have struggled mightily to keep pace with the accelerating level of change, largely due to underinvestment at the corporate level.

During a widespread recall, the sophistication of a company's manufacturing systems will determine how quickly a cause can be identified and the actions that need to be taken in the short-term to guarantee consumer safety and begin rebuilding trust with the general public. Such a system is a strategic investment that not only helps streamline operations but also prevents against quality issues as global supply chain grow increasingly more complex. This gives executives much-needed insights into manufacturing and supply chain operations to convey a sense of transparency and control over the business and the product.

Notably, [LNS Research](#) recently released an e-book that builds the executive business case for Enterprise Quality Management Systems (EQMS). "Quality Management in the Boardroom" is important new research for any organization looking to better its quality management processes.

The report notes, "Top executives often do not see as much strategic value in quality management as in sales, engineering, or manufacturing. As a consequence, in many organizations quality is a silo and perceived as the quality police."

This attitude is antithetical to how quality works when done correctly, specifically as a process that extends across the enterprise and provides value across all functions. LNS sees the current situation as something of a "Catch-22": quality must break out of its silo to realize its potential, but its lack of perceived value makes it difficult for it to garner support from top executives and enterprise leaders.

Support from top executives plays a crucial role in the long-term effectiveness of quality, far beyond project funding. Long-term executive sponsorship results in top-down support, executive voice, and sustained resources, which are the three elements that quality needs to thrive.

To gain executive support, quality leaders typically need a compelling event, which LNS defines as “a business influence or pressure that forces action or response, with a defined date and business owner.” Unfortunately, most compelling events are negative (e.g., recalls, regulatory failure) and damaging to the company, its employees, and the public. What is needed is a positive compelling event to elicit executive sponsorship, one that can be controlled and driven by quality. LNS sees this compelling event as the executive business case, “connected to either existing strategic objectives or new strategic objectives such as the Internet of Things (IoT).”

Six Actions to Take to Improve Quality Management

Based on data from the LNS Research Quality Management Survey (completed by more than 700 executives and other senior leaders from a variety of company sizes and geographies across a range of industries), the report makes six actionable recommendations to improve the maturity of quality management, making it more responsive to the pace of change that marks today’s business:

1. Break out of the quality silo by establishing the business case for quality management itself. Rather than the prevention of defects, the driving cause is achievement of cross-functional and strategic objectives.
2. Develop a number of incremental business cases to support the master business case for quality management. These incremental business cases should progressively push quality out of the silo and throughout the organization following a quality maturity model.
3. Allow other leaders to constructively share ownership. Moving quality management out of the silo transforms the initiative from being a “quality” one to a cross-functional or strategic initiative, and other leaders will share ownership to help enable the transformation.
4. Use the executive business case to gain executive sponsorship. Without executive sponsorship, cross-functional initiatives are often viewed as discretionary and may conflict with the priorities of other functional leaders.
5. Nurture executive sponsors after gaining sponsorship. Carefully select incremental business case opportunities to increase quality maturity, realize short time to value, and be sure to measure success.
6. Identify opportunities to leverage technology to support cross-functional and strategic objectives and enable cross-functional processes. Proper technology selection criteria should emphasize requirements that elevate quality out of the silo and encourage cross-functional participation.