The Next Step

The Newsletter devoted to comment and discussion within the QCDSM process

Fourth Quarter 2003 Volume 7, Number 1

The basic philosophy of QCDSM

Editorial by Peter J Paola, President, QCD Systems, Inc.

GO TO:
www.qcdsm.com

Greetings

I am often asked how the process known as QCDSM came about and what principles it is based on. I am also asked what the requirements are for it to be successful!

The quick answer to these questions will be - QCDSM is based on two principles. The first is the involvement of all within a company in it's running and secondly, the need to be both competitive and profitable. This requires continual attention to productivity, efficiency, quality, cost, delivery, safety and the morale of the people. The history is dealt with next. The third question is answered in this way: for QCDSM to be successful it must be implemented and followed as designed and must have the full commitment of and be lead by management.

THE HISTORY

It all started in the late 1970's and early '80's with the drive to improve quality. The late Edwards Deming was the catalyst for this especially when he went over to Japan and initiated the quality revolution in the auto industry. The US auto industry felt this very much in the 1980's until they caught up.

Two factors drove this. First, the need to involve the people of a facility directly in the running of the business. Second, that productivity, efficiency, quality, cost, delivery, safety and morale needed to be focused on.

How could this be effectively developed? Mitsubishi had developed their form of this process as did Toyota in their 'kan ban' system. Nissan also developed their version and called it 'shop floor management.' This was when processes and words like 'quality circles', 'kaizan', 'on time delivery-just in time', 'statistical process control' etc. became the buzz words of manufacturing.

But, unfortunately, most companies, in looking for solutions, were still in the 'one process fixes all' mode of thinking. This resulted in using one form of control to try and fix the whole manufacturing process.

The process that began to overcome this singular approach was developed by Nissan in their 'shop floor management' system. Unfortunately, however, this was directed only at a manufacturing shop floor and did not encompass the whole company.

Out of these approaches, the QCDSM system was developed. It is based on the need to involve all people of a facility in continuous improvement and do this using the process of measurement and written procedures. These procedures are derived from the measurements on the one hand and the peoples' experience on the other hand.

The critical element of this development is in the interrelation between all departments in the supply chain.

Many companies focus only on procedures . Others focus on meetings to resolve specific issues. **But success can only be achieved if the focus on procedures is derived from the meetings which measure their results.**

THE STRUCTURE OF QCDSM

In developing what is now known as the Green Room meeting process, QCDSM establishes within a company a structure and a discipline whereby all people within a company, no matter their department, become involved in the day to day or week to week measurement of their performance.

Each Green Room establishes a set of charts following the titles of Quality, Cost, Delivery, Safety and Morale (Ideas and Suggestions.)

The purpose of these measurements is to determine how their results meet their targets. Both discrepancies and successes are discussed.

In the case of discrepancies, the group is asked to give suggestions on how to overcome these and these ideas are recorded and become the first step in resolving the issue.

In the case of successes, discussion is also entered into to ensure that they know how to maintain, if not improve, this success through ideas and suggestions again.

The next step is vitally important - what happens to these ideas and suggestions? This is where the structure of the Green Room meetings is important. There are Support level meetings and third or fourth level meetings which 'take on' these challenges if the first level meeting are unable to resolve the issues. At all times the first level team are involved in the solutions.

This structure is critical to the success of the system because it ensures that issues are dealt with timeously and are recorded and monitored.

PROCESS CONTROL

The most important outcome of these meetings is what we have called the Detailed Process Sheets, a vital element of continuous improvement.

The solution must be captured in this process document and this becomes the driver of the improvement. The daily or weekly measurement within the Green Room is the gauge as to whether the developed written process is improving the results or not.

By monitoring the results of the measurements in the meetings, control of the process is exercised.

QCDSM has now merged two most important elements of a successful business - the people of the business managing the outcomes of their areas as determined by the goals of the company.

Please duplicate this Letter for all Green Rooms

COMMUNICATION

QCDSM thrives on communication. Therefore the measurements are so structured that inter department and inter group communication is achieved by two important charts under the heading of Quality - the **Defect Received** chart and the **Customer Concern** chart.

The Defect Received chart records any impact the various suppliers to that group may be having on their performance. The Customer Concern chart records any impact they are having on their internal and external customers.

The measurement of these important indices assists each group to respond to many issues that affect not only their performance but that of the whole supply chain.

MANAGEMENT OF THE SYSTEM

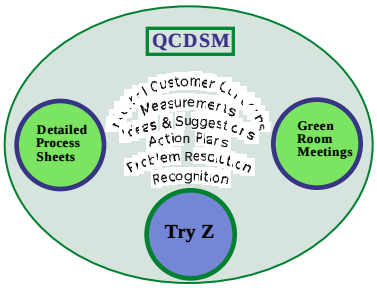
All systems need to be managed! QCDSM has developed two important tools to do this. Both are data bases which record and sort the Ideas and Suggestion and the Customer Concerns to display historical data, developing trends and issues and the number of incidents etc. This allows the teams and management to allocate resources to those areas that are affecting their major outcomes.

The tools - Ideas and Suggestions, Customer Concerns, Detailed Process Sheets, the Charts and, of course, the meetings are the key to the success of the system and must be used **TOGETHER**. Some using QCDSM have not integrated these tools.

A HOLISTIC SYSTEM

The diagram above attempts to capture what is meant by holistic. Notice that there are 3 major elements to QCDSM. I have spoken of two, Detailed Process Sheets and the Green Room structure. The third element is a seminar developed to demonstrate how the holistic system works. The Try Z seminar is critical in order to develop the mindset necessary to be successful in QCDSM.

[Please go to our web site to obtain more information and download a .pdf brochure on the Try Z.]



THE LINKAGE

In all systems there are linkages which are important to the functioning of the system. In the above diagram you see some of these linkages.

Again, for QCDSM to be successfully implemented, all elements must be in play and to 'cherry pick' will be detrimental to your success.

Does this mean that QCDSM is an inflexible process? By no means! However, there is a principle in all learning. Before you begin to adapt what you have learned you must first of all learn what you need to learn! QCDSM can and should be adapted to your environment. However, before you do this, you must implement it as designed to understand the dynamics of the process. Once understood, then adaptations are recommended. We have a number of clients who have done just this. However, their adaptations never eliminate the three fundamental elements and the linkages.

THE WHOLE COMPANY

So often companies believe that this process only applies to a manufacturing type environment. This is not the case at all. Wherever people work together to achieve outputs, measuring their performance is critical to achieving those results. Even though their tasks are not repetitive, they must, nevertheless, develop procedures to achieve their outputs and discuss their results accordingly. QCDSM is very successful in service area environments and we have developed unique methods on how to achieve this.

FINALLY

I have attempted to summarize the overall philosophical basis of the QCDSM system. If you do not initially implement and use the system as designed before adaptation, you will not get the results that the system is designed to produce.

Finally, some examples of how to use the process: the issue of **waste** in manufacturing can be the result of many different factors: raw materials; batches; wrong packaging materials; downtime in the specific area or previous areas; rework, start ups etc... Every one of these issues would be measured daily in all related Green Rooms in the supply chain. Therefore to resolve the waste issue **the data is available to determine the root causes or causes and where these are taking place. Actions plans now need to be developed to resolve the issue. QCDSM has provided the snap shot of what is happening.** As in all businesses, **it depends on how well the people of the company can problem solve and develop solutions from the data. [We provide the training for this expertise as well.]**

An example from a service area:

Human Resources can measure the time it takes from a request for temporary workers to the actual hire of these workers. By measuring their performance in their Green Room they could develop good procedures to expedite this for the manufacturing lines.

WHEREVER THERE IS AN OUTPUT TO BE ACHIEVED, IT MUST BE MEASURED!

QCD Systems, Inc. invites you to visit our web site and download the .pdf brochures.

www.qcdsm.com

Tel. (847) 543 1326
Fax. (847) 543 1328
E-mail qcdpjp@ix.netcom.com
.www.qcdsm.com
105 Townline Road,
Vernon Hills, Illinois 60061, USA

Please duplicate this Letter for all Green Rooms