



CQI Learning Lunch

Small Business - Quality Benefits

**Host = Dennis Sergent, Sergent Results Group
517-381-5330**

**September 13th, 2010
10:30 AM to 1:00 PM**

*University Club of Michigan State
3435 Forest Road, Lansing, MI 48909
517-353-5111*



Why Does Small Business Need Quality?

- Competitive pressures
 - Many smaller competitors
 - Dwarfed by larger competitors
 - Customers demand value
- Vulnerable because of size
 - Not always specialized functions and departments
 - Diffused responsibility for “everything”
 - Not always able to focus
- No “fat” to spare in processes or margins
 - And no deep pockets
- Word of mouth works to best advantages and worst disadvantages



Same Issues As Large Businesses

1. Only 15% of Performance Improvement Comes From Training

- The Rest Comes From The Hard Work
- Learning By Doing
- Consulting To Do Things Differently, New Things Or Not At All

2. Only 21% of Training Value Comes from Teachers or Instructors

- About 80% Comes From The Learner Doing
- Value (\$) Difference from Active Learning Examples Abound

3. 53% of Projects Fail

- With Certified Project Managers
- There Are Models of Higher Performance

4. 65% of Transformation Projects Fail

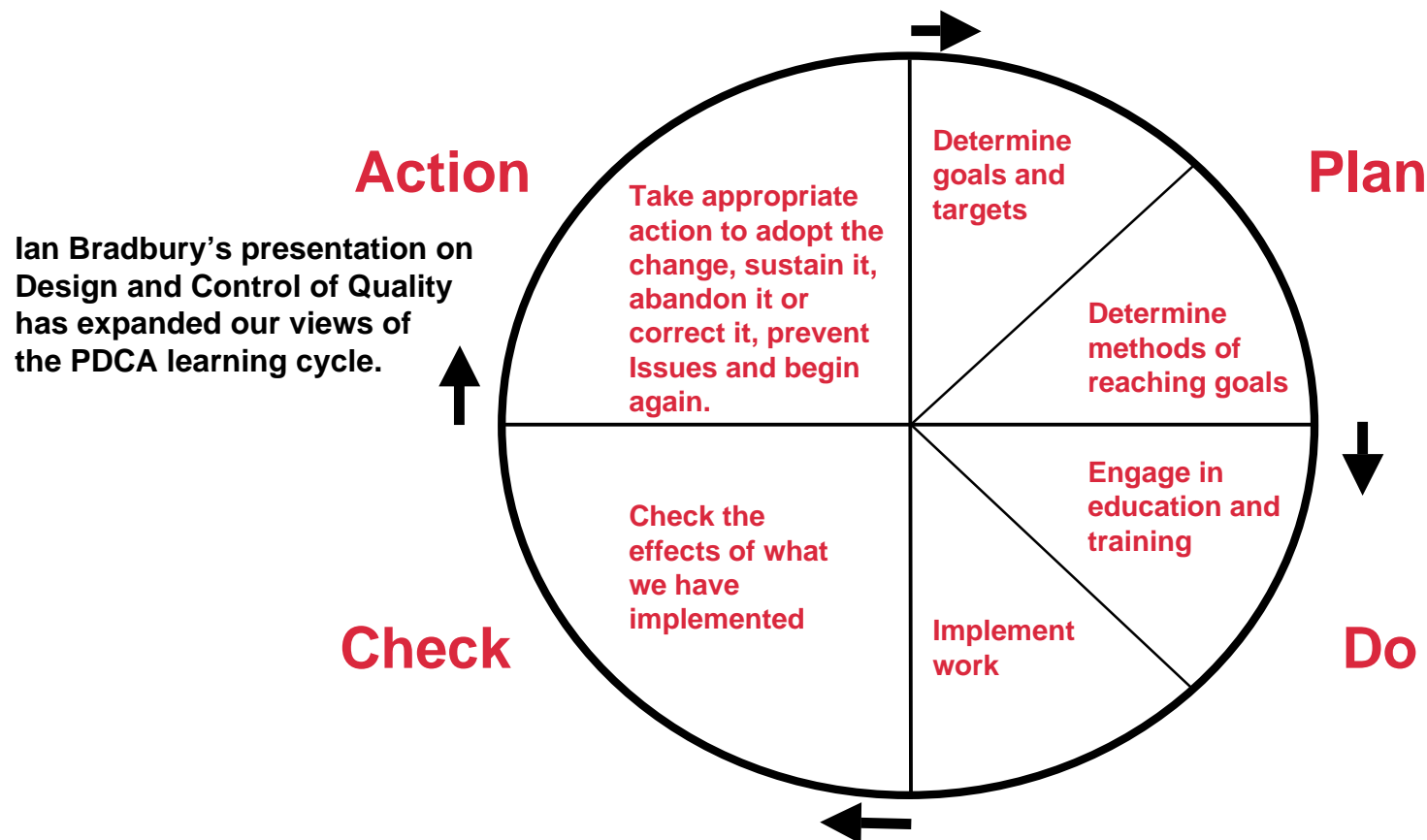
- Because People, Brand and Culture Are Ignored in Favor of Technology
- Defensive Reasoning Can Be Addressed, But Takes Time

5. Only 9% of Communication Depends On Words

- Non-Verbal Communication Accounts For 90+%
- We Can Unlock What is NOT Said Today
- Competent Facilitators Are Essential

P-D-C-A - Proceed With Control

- We **PLAN** what we want to accomplish over a period of time and what we will do to get there.
- We **DO** something that furthers the strategies and goals developed in our plan.



We **CHECK (Study)** the results of our actions to make sure we achieve what we plan.

We **ACT** by developing procedures to ensure our plans continue to be successful and by changing what is needed to achieve the initial goals.

What Can You Do?

- Be comfortable with;
 - Learning & PDSA Cycle
 - Productive Reasoning
 - Managing by Fact
 - Data drives decisions
 - Customer, Team and Owner
 - Cooperative Processes
 - Middle management support
 - Involvement by all employees
 - Customer perception of value
 - Commitment to Quality
 - Time and Resources
 - Action Consistent With Words



What Are The Benefits of Quality?

- Fosters innovation & competitive position
 - Lowers resistance to change
 - You are inventing the change
- Closely couples management and workforce and customers
 - Better teamwork and value
- Increased capacity
 - Less wasted time, effort and materials
- Increased productivity of every dollar invested
- Increased customer satisfaction & loyalty
 - And employee satisfaction too
- Quality is Free
 - IT DOES NOT COST MORE IF YOU BUILD IT IN AND KEEP IT IN

Deming's 14 Points For Management

Key to understanding the 14 Points is variation. The more variation - the more waste, Deming's 14 points are paraphrased here:

1. **Create constancy of purpose towards improvement.**
 - Replace short-term reaction with long-term planning.
2. **Adopt the new philosophy.**
 - Management should walk the talk.
3. **Cease dependence on inspection.**
 - Reduced variation eliminates need to inspect for defects.
4. **Move towards a single supplier for any one item.**
 - Multiple suppliers mean variation between feedstocks.
5. **Improve constantly and forever.**
 - Constantly strive to reduce variation.
6. **Institute training on the job.**
 - Adequately trained staff will all work the same way, and reduce variation.
7. **Institute leadership.**
 - Mere supervision is quota- and target-based
8. **Drive out fear.**
 - Long term, it prevents workers from acting in the organization's best interests.
9. **Break down barriers between departments.**
 - Use the 'internal customer', that each department serves other departments that use its output.
10. **Eliminate slogans.**
 - It's not people who make most mistakes - it's the process they are working within.
11. **Eliminate "management by objectives".**
 - Deming saw production targets as encouraging the delivery of poor-quality goods.
12. **Remove barriers to pride of workmanship.**
 - Many of the other problems outlined reduce worker satisfaction.
13. **Institute education and self-improvement.**
 - **Harassing the workforce without improving the processes they use is counter-productive.**
14. **The transformation is everyone's job.**
 - "You do not have to do this. Survival is not compulsory."



Lunch!

- **Let's collect our lunch!**
- **Room will be secure**
- **Staff will take your drink orders in the meeting room**
- **When you return, start discussing at your table**
- **Make sure everyone is heard from**
- **Appoint one person to record your answers to the following questions!**

TABLE DISCUSSIONS

AT EACH TABLE DISCUSS AND DOCUMENT:

- **WHAT ARE OUR NEXT ACTION STEPS?**
 - **What did I learn here?**
 - **What do we need to discuss next?**
 - **Who else should be here?**
 - **What will we do with this learning?**
 - **When do we meet again?**

Future Agenda

Future Discussions

- September 22, 2010 = CQI Breakfast - Diversity Matters: Why Teams Succeed or Fail
- Oct 8th, 2010 = Enabling Transformation - Principles & Planning
- Oct 26th, 2010 = Culture - What Is It and Can It be Adaptive & Full of Leadership?
- November 1st, 2010 = Dr. Bill Bellows - Thinking About Thinking Seminar AND CQI Luncheon
- November 12th, 2010 = Overcoming Organizational Defenses (Productive Reasoning)
- December 15th, 2010 = Leadership (What is a “Leader-ful” Organization?)

Other Subject & Speaker Suggestions

- Brainstorming, Benchmarking
 - Comparisons of Quality Management Systems
 - Continuous Improvement
 - Design & Control of Quality (Ian Bradbury of Peaker Services, Inc.)
 - Diversity (3 VOTES - See September 22 CQI Breakfast)
 - Gipsie Ranney
 - Having Difficult Conversations - Principles and Tools
 - Influence (Influencing Your Leader and Your Team)
 - Innovation
 - Lean Principles (2 VOTES)
 - Lean Project: Eliminating the Waste In Performance Reviews (R. Steele of Peaker Services)
 - Motivation (2 VOTES)
 - Overcoming Roadblocks (2 VOTES)
 - PDSA - In More Detail (2 VOTES)
 - Quality Tools & Processes (Beth Leinhart)
 - Six Sigma
- What Are Your Ideas?

The CQI IS EVOLVING!

The CQI Board of Directors has determined an updated vision and mission, as well as a new name behind CQI -



Capital Quality and Innovation!

Look for more news on the transformation!



**SERGEN
RESULTS
GROUP**

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