Acknowledgements

The “Quest for Quality” Self-Study Module was written by members of the Amex Canada Quality Services Group, including (alphabetically):

- David Barnes, Vice-president, Quality Services
- Jane Bradley, Consultant
- David Byrt, Manager (Lead Content Developer)
- Patrick Doyle, Director, Quality Services
- Segundo Gazmin, Consultant
- Sheryl Langret, Consultant
- Karen Peart, Consultant
- Lesley Taylor, Consultant (Lead Instructional Designer)
- Jennifer Weisman, Consultant

The original Quest for Quality workbook has been modified for use by other organizations. It retains in its entirety the case study, style and layout designed by Amex Canada.

Excellence Canada content modifications by:

- Adam Stoehr, Vice President, Educational Services
Forward by Beth Horowitz

The Amex Canada story is a success story, a success story built on our commitment to quality and excellence. The last few years have seen us become a thriving and successful business that continues to grow and post strong results. We owe much of this to the value we place on quality.

Winning the Canada Award for Excellence in 1998 from the National Quality Institute was a great testament to what we have accomplished in this time. But ‘Excellence’ is a journey, not a destination. We cannot afford to rest on the successes of the past.

We know that to compete in this very competitive market, customers have to be delighted and not merely satisfied.

Our aim is to provide all our customers with the best products and services at a price that gives them value for money and for us, a reasonable return. This is a definition of Quality, and one that we take very seriously.

Being a ‘Excellence’ organization means that quality is everybody’s job. It also explains why “a continuous quest for quality in everything we do” is one of our Values. This self-study module is your first step to living that value.

Being able to apply the concepts and principles in this self-study module is more than just good professional development for you, it’s about ensuring that as a company we continue to delight our customers, remain competitive and provide a fulfilling and rewarding place for you to work.

I encourage you to work through the information in this self-study and for you to start your own personal quest for quality in everything you do.

Beth Horowitz,
President and General Manager
Amex Canada Inc.
Forward by Allan Ebedes

Excellence Canada (formerly NQI) is delighted that Amex has given permission to use their company’s Quest for Quality Program. Their commitment to quality is evident in so many areas. This workbook gives the user the opportunity to learn from leaders in the application of quality principles in the workplace.

Amex has used Excellence Canada’s Framework for Excellence as the map for their quality journey. With the help of a fictitious case study, Amex has introduced its employees to the core principles of quality. With their support, Excellence Canada can offer all organizations this same opportunity to involve their employees in the quest for quality.

Allan Ebedes, President and CEO
Excellence Canada
# Table of Contents

Acknowledgements ........................................................................................................... i
Forward by Beth Horowitz ............................................................................................... ii
Forward by Allan Ebedes ................................................................................................. iii
Introduction ...................................................................................................................... 1
  - Welcome! .................................................................................................................... 1
  - Goal ............................................................................................................................ 1
  - Objectives ................................................................................................................ 1
  - Time ........................................................................................................................... 1
  - Evaluation ................................................................................................................ 2
How to Work Through this Self-study ............................................................................. 3
  - Theme ....................................................................................................................... 3
  - Structure .................................................................................................................. 3
Setting the Scene .............................................................................................................. 4
Unit 1: What is Quality? .................................................................................................. 5
Map and Characters of The Magpie Express Company ................................................. 6
Colonel Magpie’s Last Dance ............................................................................................ 7
  - What is Quality? ....................................................................................................... 10
  - Quality as a Process ................................................................................................. 10
  - A Useful Definition ................................................................................................. 11
  - Understanding Customer Requirements .............................................................. 13
  - Retention and Loyalty ............................................................................................ 14
Unit 2: The Cost of Quality ............................................................................................ 17
As the Magpie Flies ......................................................................................................... 18
  - Attitudes Towards the Cost of Quality ............................................................... 21
  - The Cost of Quality ................................................................................................. 21
  - The Total Cost of Quality ...................................................................................... 23
  - Cost of Conformance vs. Cost of Non-Conformance ........................................ 24
<table>
<thead>
<tr>
<th>Unit 3: Quality – Why Bother?</th>
<th>.......................................................... 27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Diggs Comes to Town</td>
<td>......................................................................................... 28</td>
</tr>
<tr>
<td>- What is a Quality Gap?</td>
<td>......................................................................................... 32</td>
</tr>
<tr>
<td>- Poor Quality – What It All Costs</td>
<td>.......................................................................... 32</td>
</tr>
<tr>
<td>- The Need to Measure Quality</td>
<td>......................................................................................... 32</td>
</tr>
<tr>
<td>- Benefits of Closing Quality – Profitability $$$</td>
<td>..................................................................... 32</td>
</tr>
<tr>
<td>- The Flow of Benefits from Improving Quality</td>
<td>......................................................................... 33</td>
</tr>
<tr>
<td>- 3 Approaches to Improving Quality</td>
<td>........................................................................ 34</td>
</tr>
<tr>
<td>Unit 4: Achieving Quality at the Organizational Level</td>
<td>.......................................................... 37</td>
</tr>
<tr>
<td>A Stampede of Magpies</td>
<td>......................................................................................... 38</td>
</tr>
<tr>
<td>- Achieving Quality as an Organization</td>
<td>........................................................................ 43</td>
</tr>
<tr>
<td>- A Strategic Approach to Quality</td>
<td>........................................................................... 45</td>
</tr>
<tr>
<td>- Excellence Canada Canadian Framework for Excellence</td>
<td>....................................................................... 45</td>
</tr>
<tr>
<td>- Actions that Create the ‘Excellence’ Organization</td>
<td>........................................................................ 46</td>
</tr>
<tr>
<td>- Improvement to Performance</td>
<td>......................................................................................... 47</td>
</tr>
<tr>
<td>- Amex and Excellence Canada</td>
<td>......................................................................................... 52</td>
</tr>
<tr>
<td>Excellence Canada – Organizational Excellence Reality Check Questionnaire</td>
<td>.......................................................... 55</td>
</tr>
<tr>
<td>Unit 5: Achieving Personal Quality</td>
<td>......................................................................................... 58</td>
</tr>
<tr>
<td>Bird’s of a Feather</td>
<td>......................................................................................... 62</td>
</tr>
<tr>
<td>- Principles of Quality</td>
<td>......................................................................................... 66</td>
</tr>
<tr>
<td>Personal Quality Checklist</td>
<td>......................................................................................... 73</td>
</tr>
<tr>
<td>Summary</td>
<td>......................................................................................... 77</td>
</tr>
<tr>
<td>Epilogue</td>
<td>......................................................................................... 78</td>
</tr>
<tr>
<td>- The Importance of Quality (revisited)</td>
<td>........................................................................ 79</td>
</tr>
<tr>
<td>- How To Achieve Quality – Summary</td>
<td>.................................................................................... 79</td>
</tr>
<tr>
<td>- Beginning Your Personal Quest for Quality</td>
<td>........................................................................ 80</td>
</tr>
<tr>
<td>- Learning more about Quality at Amex</td>
<td>............................................................................... 80</td>
</tr>
<tr>
<td>- Congratulations and Thank You!</td>
<td>..................................................................................... 80</td>
</tr>
</tbody>
</table>
Welcome!
Quest for Quality Module 1 is an introductory-level self-study guide that focuses on the basic principles of quality, including customer service and employee satisfaction. It is applicable to any organization that is committed to the pursuit of excellence, whether it is private or public sector, profit or not-for-profit.

This workbook is intended for all employees in organizations that are beginning a quality journey, from front line staff to senior managers.

Goal
The goal of Quest for Quality is to help you learn more about the basic principles and concepts of Quality. Learning these principles and concepts will enable you to be more effective in managing Quality in your organizations.

Objectives
Three guiding objectives provide you with the belief, skills and knowledge to achieve this goal. By the end of this self-study, you will be able to:

- Appreciate the value of practicing quality both on a personal and organizational level.
- Use definitions, formulas and diagrams that describe the basic concepts and principles of quality.
- Understand quality concepts and principles both on a personal and organizational level.

Time
We recommend setting aside two to three hours of undisturbed time to complete this self-study.
Evaluation
There will be a short test on the concepts covered within these pages. The results of this test go towards a Quality Certificate issued to you by Excellence Canada.

Modules 2 & 3
Although Module 1 is designed as a stand alone self study, many organizations identify people to pursue Modules 2 & 3 as well.

Module Two is a full day workshop that teaches Quality Tools and Techniques to identify and quantify the impact of Quality Gaps in your organizations.

Module Three is a full day workshop that teaches you to apply Quality Tools and Techniques to close Quality Gaps in your organization, ensure they remain closed and are improved over time.

To find out more about Modules 2 & 3 please visit the Excellence Canada website at: www.excellence.ca
How to Work Through this Self-study

Theme
Our theme for this self-study is based on a quest. The quest is for Quality – a never-ending journey on which you have just begun!

Structure
Topics are divided into units. These units follow a sequential order and build on the Quality concepts you’ll need to begin your quest. Each unit consists of four sections:

Introduction:
Introduces the unit’s main topic, the chapter it uses from the case study and the learning objectives. In addition, reading tips offer a guide to help you find the examples in the case study that are used in the Focus section.

A chapter from the Case Study:
Leads into each unit. The case study is a fictitious story of “The Magpie Express Company”. Events in the story are used in the Focus section to illustrate the Quality concepts in each unit.

Focus:
Examines concepts and principles of Quality as illustrated in the case study and applied to your organization.

Your Personal Quest for Quality:
Offers activities that relate Quality concepts to your own job, experience and values. Each activity acts as a springboard to develop ideas for managing Quality in your organization.
Setting the Scene

The Magpie Express Company

To introduce the importance that quality plays in the success of any organization, we'll use a fictitious case study based on the Amex story. The case study is set in the Old West. It tells the story of The Magpie Express Company. While the characters and events are not real, the scenario illustrates the need for organizations and individuals to pursue a continual Quest for Quality. Pursuing such a quest helps everyone keep in step with changing times and evolving customer needs. This, in essence, is the same process that has made Amex what it is today – a global enterprise with one of the most recognized and respected brand names in the world.
Unit 1: What is Quality?

Introduction

This unit answers the fundamental question, "What is Quality?" It starts with a chapter from our fictitious case study, The Magpie Express Company. As you read, you'll look for examples of good quality service and poor quality service. Then, in the Focus section, you'll take a closer look at how quality is defined.

Objectives

By the end of this unit, you'll be able to:

- Appreciate the importance of defining Quality.
- Identify the different elements that make up the definition of Quality.
- Understand the concepts behind the definition of Quality.

Reading Tips

As you read the first chapter, “The Colonel’s Last Dance”, look for examples of:

- Poor quality service
- Good quality service
- Listening to customers’ needs
- Acting on customers’ needs

We'll refer back to these examples in the Focus section for a closer study of “What is Quality?”
Map and Characters of The Magpie Express Company


Humph Dewitt: Talented Wheelwright – a Wheelwright is a stagecoach repairman.

Mr. Diggs: Military engineer turned civilian – problem solver extraordinaire.

Annie Blazer: Region’s finest Whip – a Whip is a stagecoach driver.

Virginia Forester: School teacher – fiancée of Humphrey Dewitt.

Jack Bullwart: Owner of a notoriously poor stagecoach and mail company servicing Meadow Creek and Cook’s Elbow.
Colonel Magpie’s Last Dance

In the spring of 1850, Cook’s Elbow was a mere afterthought on the maps of the Great West. Only a few rugged travelers would make the long journey from Meadow Creek to this small town. Those who did came by way of the Bullwart Stagecoach Company – the only such company in the region. And the service of this company was about as reliable as a square wheel.

On this particular day, the stagecoach, which brought mail as well as passengers, was three days late. A crowd of people had gathered in the streets to watch the patched-up, half-broken cart come waddling to a stop.

From inside its tiny confines emerged the rickety figures of eight ashen ghosts. The ghosts slowly stretched their cramped legs. Then they began hopping up and down, beating the dust off each other’s clothes.

The people of Cook’s Elbow called this routine “The Dust Dance.”
One of the dancers was the famous Colonel Magpie. The Colonel, who'd been forced to retire from the military after a nearly fatal wound injured his left leg, had come to these parts looking to hone his entrepreneurial skills. This endeavour resulted in two hotels, which he financed himself: one in Meadow Creek and one right here in Cook's Elbow. Unable to ride comfortably on horseback due to his injury, and because of the poor mail service in these parts, every month the Colonel would make the trek by stagecoach from Meadow Creek to check up on the operations of the Magpie Inn at Cook's Elbow.

As it turned out, the Bullwart stagecoach had broken down repeatedly during the Colonel's journey. This had forced the passengers to camp out under the cold stars on three separate evenings. On their last night, they met up with a band of outlaws known as The Deep Valley Gang. The gang had robbed them of their jewellery and money and made off with the mail.

Angry and frustrated, the passengers turned on the Whip and demanded that he take them to see Jack Bullwart. But the Whip was exhausted from all the driving and fixing he had done in the past three days. Fed up with his own job, he told them to be thankful because, "...at least y'all got here in one piece."

Enraged, one of the women grabbed the Whip by his ear and twisted viciously, "If you don't want to lose this piece of yourself, you're gonna get Jack Bullwart! And he's gonna pay us back all the money we got robbed!"

Her words were like kerosene on a fire. The crowd ignited in anger, vowing never to use Bullwart's Stagecoach Company again.

Magpie too was furious, but not wanting to succumb to the baseness of wild emotions, he bit his tongue and took stock of the scene that was unfolding. Most of these passengers would be residing at the Magpie Inn during their forestay at Cook's Elbow. Stagecoach passengers like these represented the bulk of his clientele. While they might have enjoyed the quality hospitality and sleeping arrangements of his Inn, if they stopped riding the stagecoach, he would lose business. He thought for a moment of discussing this dilemma with Bullwart himself. But Jack was an ornery cuss who never paid much attention to his customers.

Instead of joining the angry crowd, the Colonel went straight to his Inn, poured himself a hot steamy bath and started to think. He thought and thought 'til his toes turned to prunes.
That evening, during supper at the Magpie Inn, Colonel Magpie made a formal announcement.

"Ladies and gentleman ... good patrons of this establishment. Due to the inconvenience of being herded like cattle, in a shoddy matchbox, through bandit-infested country, I take the liberty here of giving you first notice of the Magpie Express. It will be a safer, faster and more comfortable ride than Bullwart's haywire horse cart, on this you have my word. Service to begin one month upon my return to Meadow Creek."

Then with a wink, he added in closing, "May this mark the end of the dust dance at Cook's Elbow."
Focus: What is Quality?

Quality has always been a crucial factor in business. Colonel Magpie knew this to be true in the 1800s. After his military career, he set out to build an Inn at Meadow Creek that reflected excellence in service and accommodations. The result was loyal clientele. His profits allowed him to expand and build another Inn at Cook’s Elbow.

Today, quality can be seen as even more important. In a competitive market, quality can be the deciding factor in the mind of the customer or client and consequently, in the success of the organization, whether it is small, medium or large, private or public sector.

But when we speak of quality, what do we really mean?

Before setting off on our Quest for Quality, it’s important that we have a clear understanding of the concept of quality. In this section of the unit, we’ll take a closer look at what we mean by quality.

What is Quality?

Quality, like excellence, is a concept that can be easy to visualize – you know it when you see it – but exasperatingly difficult to define. To help give our quest direction, we’ll examine the concept of quality as it pertains to products and services.

Think of the satisfied patrons of the Magpie Inn versus the irate customers of Bullwart’s Stagecoach Company. In both cases, how did they judge the overall quality of service?

Often customers associate quality with the values they attribute to a product or service. Patrons of the Magpie Inn went there because they valued hospitality and comfort. The ability to deliver products and services that reflect these associated values plays an integral role when customers judge overall quality.

Every business or organization needs to understand what its customer’s value. For example, a hospital provides products and services that affect the quality of patient care for its clients.
Quality as a Process

Achieving quality is as much about the process as it is about the outcome. We saw this in the case of the Magpie Inn, where the success of the business extended to the quality of the stagecoach service. The Colonel's appreciation of the importance for the overall quality of travel and accommodations in the area led him to offer a better stagecoach service – The Magpie Express.

Approaching quality as a process was a key factor in the renewed success of Amex Canada during the mid 90s. The programs implemented at Amex to manage and improve quality won Excellence Canada’s Canada Award for Excellence in 1998. But we mustn't forget that achieving quality is a never-ending journey. Each employee must be involved in the quest to find new ways to manage and improve quality in the workplace.

A process is a series of definable, repeatable and measurable steps which transform some input from a supplier into a useful result, or output, for an internal or external customer.

A Useful Definition

To be able to manage and improve quality we need to be able to measure it. Why measure? Because what gets measured gets improved! However, to be able to measure quality, we need a clear definition of what we mean by the term – a definition that allows us to actually assess whether we have achieved it or not. Having a single, shared definition of what quality means within an organization also means we can refer to it in the same way.

Quality is defined differently from one organization to another. For our discussion, we will use a definition that describes the Amex approach to quality. This definition also describes the concept of quality that Colonel Magpie adopted for his new company:

Quality is meeting or exceeding the customer's agreed requirements at lowest cost, first time, every time.
To understand each concept within this definition, we will examine how it applies to Colonel Magpie’s situation. But before we do, take a moment to think about your own workplace.

1. **Customers**

Customers are all those to whom we supply an output, whether it’s a product, service, or information. Customers can be either internal (those within the organization who receive the products and services you produce) or external (those who make use of the final product or service).

The Colonel's external customers were the patrons of the Magpie Inn. Soon he would also have the travellers on the Magpie Express as external customers. And because the two businesses were closely related, the Magpie Express would become an internal customer of the Magpie Inn – ensuring that the Inn's customers arrived quickly, safely and comfortably.

2. **Agreed Requirements**

Agreed requirements are the promises we make to our customers. The agreed requirement for the new Magpie Express Company was "... a safer, faster, and more comfortable ride than Bullwart's haywire horse cart." Requirements cover every aspect of the product or service to be delivered. These can be defined as utility (form, function, fitness for use, durability, and reliability), availability (on time and speedy delivery) and worth (value, etc.) Requirements, however, are different from customers' expectations.

Customers' expectations are not necessarily founded in reason. Their expectations can be either positive or negative. Take for example Bullwart's stagecoach service. There was no reason why his customers should accept such poor quality service. Yet time and time again, that's what they received. After a while, they came to expect poor quality.
3. Meeting or exceeding

Meeting requirements basically means that the product, service or information looks and behaves exactly as we promised. Exceeding means giving customers more than they knew they wanted.

The implication for the Colonel is that his Magpie Express Company will need to be consistently fast, safe and comfortable. It will also need to delight customers in other ways so that they will continue to use the service and tell everyone else about their experience. For example, in the next chapter we'll see how one of the Colonel's employees goes out of his way to help out after the stagecoach breaks down, impressing the passengers with his heroics.

4. At lowest cost

At lowest cost means that no time, effort or materials are lost or wasted in delivery of the product or service so that the company's profits are maximized, or, in the case on non-profit organizations, so that service can be provided with the allocated funds. It doesn't mean, however, that the requirements should be compromised – it's a question of balance.

To guarantee the lowest cost and meet or exceed customers' requirements, the new Magpie Express will need to be efficient.

5. First time every time

First time, every time means getting it right 100% of the time. Doing things right means no failures – zero defects –, which in turn means no need to correct mistakes. This eliminates costly re-work.

Since first impressions are so important, the Colonel will need to ensure that the Magpie Express starts off right. Continuing to get it right means maintaining the processes that make it possible to always meet or exceed his customers' agreed requirements at lowest cost.
Understanding Customer Requirements

Customers are the reason an organization exists, whether it is for profit or non-profit, private or public sector. If quality is meeting or exceeding customer requirements, the quality journey really begins by clearly and accurately understanding who those customers are and what their requirements are. Only then can we hope to design and deliver products and services that the customer is going to want to pay for or utilize.

By listening to his customers, the Colonel found out that they required safe, comfortable and fast stagecoach service. He also found out that since these requirements were not being met by Bullwart’s company – the only stagecoach company in the area – some were ready to boycott travel to Cook’s Elbow.

Knowing their requirements helped him design a stagecoach service that they would be willing to use and pay for. This in turn would avoid a travel boycott which represented a danger to his business, since these passengers were the same people who stayed at his Inn. The observational technique used by the Colonel is only one of many ways we can obtain information from customers. Other major sources are:

- Customer complaints or suggestions
- Questionnaires and surveys
- Feedback from employees or sales people
- Face-to-face interviews and focus groups

Each of these sources helps us to understand our customers. More important, we can make use of the information to drive improvement activity and ensure customer requirements are being met.

Retention and Loyalty

Customer satisfaction is a key issue for any organization. Satisfied customers will want to stay with you and continue to purchase the products and services you offer. Not only does this have value to you in repeat customers, but it also saves you money in trying to find more new customers. On average, finding new customers costs five times as much as it does to retain one.

On the other hand, dissatisfied customers lead to complaints. Handling complaints is of course a cost of poor quality. It is a failure activity that you only have to do because something went wrong.

- For organizations that provide products, recalling faulty products, repackaging, resending, and re-invoicing can be expensive.
- For service providers, handling complaints arising from poor service or unfulfilled promises is also expensive.

And in both cases, you lose one of your organization’s most valuable assets – customer confidence.
The following statistics illustrate the importance of customer retention and loyalty.

**The cost of one dissatisfied customer to the business:**
Unhappy customers tell at least 10 other people
Happy customers tell 5 other people.
Therefore, potential cost of making a customer unhappy = 16 lost customers.

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<tr>
<td>1</td>
<td>(original customer, who won’t return)</td>
</tr>
<tr>
<td>10</td>
<td>(potential customers lost through hearing a horror story)</td>
</tr>
<tr>
<td>+5</td>
<td>(potential customers not gained by hearing a happy story)</td>
</tr>
<tr>
<td>16</td>
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**Reasons why customers leave...**

<table>
<thead>
<tr>
<th>%</th>
<th>Reason</th>
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<tr>
<td>1%</td>
<td>Die</td>
</tr>
<tr>
<td>3%</td>
<td>Move away</td>
</tr>
<tr>
<td>5%</td>
<td>Influenced by friends</td>
</tr>
<tr>
<td>9%</td>
<td>Because of competitive reasons (e.g., price)</td>
</tr>
<tr>
<td>14%</td>
<td>Dissatisfied with product</td>
</tr>
<tr>
<td>68%</td>
<td>Because of an attitude of indifference on the part of an employee (i.e., poor service)</td>
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*American Society for Quality*
Your Personal Quest for Quality

Dealing with customer expectations can be difficult, when they can often fall outside of your abilities.

Think of a negative experience you had with a customer.

- What were the agreed requirements?
- What were their expectations?
- Did the situation result from not meeting their requirements or from not meeting their expectations?

Use the table below to jot down your thoughts. You will gain more from this exercise if you can share your thoughts and ideas with others in your work/study group.

<table>
<thead>
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<th>Notes on your experience with a customer</th>
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<tr>
<td>The customer’s agreed requirements were...</td>
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<tr>
<td>The customer’s expectations were...</td>
</tr>
<tr>
<td>The situation result because...</td>
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While "meeting or exceeding customer’s agreed requirements at the lowest cost, first time every time" may seem a daunting task, the importance of this pursuit is apparent when we look at the cost of quality, the subject of the next unit in the series.
Unit 2: The Cost of Quality

Introduction

This unit describes the different costs associated with achieving, or not achieving, quality. It starts with the second chapter from our fictitious case study, The Magpie Express Company. The chapter picks up with the Colonel trying to build a better stagecoach and mail service for his customers. We will see all the costs of quality he incurred both during and after developing The Magpie Express Company. These events are used in the Focus section to illustrate the concepts behind the cost of quality.

Objectives

By the end of this unit, you’ll be able to:

- Appreciate the ‘good quality value’ of prevention.
- Apply the formula used to calculate the Total Cost of Quality.
- Understand the cost of conformance versus the cost of non-conformance.

Reading Tips

While reading this second chapter, “As The Magpie Flies”, look for examples of:

- good quality practices
- poor quality practices
- costs that arise from poor quality practices

We’ll refer back to these examples in the Focus section for a closer study of “The Cost of Quality.”
As the Magpie Flies

The Colonel returned to Meadow Creek and began the arduous task of creating the Magpie Express within the one-month timeframe he had promised.

As the crow flies, the distance between the two towns was a mere 50 miles, but a nasty stretch of mountains forced Bullwart's Stagecoach Company to take the longer 200 mile route through Deep Valley. By studying maps of the area, the Colonel discovered that riding over the less traveled rocky pass, avoiding Deep Valley cut the distance to 100 miles, or one day's travel. With the right equipment and skilled drivers, the Colonel felt confident that they could halve the time it took to make the journey, while also avoiding danger of attacks from the Deep Valley Gang.

Using both his Inns as collateral, he ordered a spacious and sturdy Concord stagecoach from St. Louis, bought a half dozen of the healthiest horses and hired the best Whips in the area. He also hired armed men to sit beside the Whips during the trek. These men were called the Shotguns for the shotgun that was their weapon of choice. They were responsible for the customers' security along the way. As an added precaution, the Colonel recruited the services of talented Wheelwrights in both towns to oversee the regular inspection of the stagecoach.

With the effective planning he had illustrated throughout his military career, the Colonel was able to start the Magpie Express exactly one month from the date on which he had made his promise.

There was a large fanfare in the streets as people waved the travelers goodbye, but more than a few were sceptical of the Colonel's ambition. Could a stagecoach company really offer express, one-day service between Meadow Creek and Cook's Elbow?

Confident that he had taken all the necessary precautions to ensure quality service, Colonel Magpie was able to relax in his bathtub and read up on the latest story in the newspaper, "Rumours of Gold – Will A Rush Begin?"
No one in Cook's Elbow really expected the Magpie Express to arrive on time. They were conditioned by years of Bullwart's poor mail and travel service. But when the sun began to set, Humphrey Dewitt, who had been employed as a Wheelwright for the company, notified the Sheriff that he was "going up a bit" to ensure that the stagecoach was all right.

Humphrey, or Humph, went much farther than a bit. As darkness settled, he continued on until he met up with the group hours later at the top of the rocky pass.

The passengers were huddled around a fire. The Whip and the Shotgun were wrestling with the coach. It had lost a wheel and the front axel was cracked due to the worse-than-expected conditions of the trail.

Knowing the repairs would take several days, Humph galloped all the way to his father's farm, hitched the family wagon and rode back throughout the night to the rocky pass. Exhausted, but keenly aware of the dangers that cold mountain air posed to poorly clad townsfolk, he shuttled the passengers into the wagon, stowed the mail under his seat and headed down with the Shotgun.
to Cook's Elbow.

The passengers were most impressed by Humphrey's heroics. Nevertheless, they were disappointed in the quality of the service offered by the Magpie Express. Yes, the stagecoach was roomier than Bullwart's, but it broke down just the same. Many felt the convenience of having more space did not warrant the extra charge the Colonel had had to levy to cover what he termed "the costs for higher quality."

When a rider pulled into Meadow Creek to tell the Colonel of the calamity, the number of sceptics grew like wild fire ... and so did the expenses. Carting the Concord back for repairs; having custom parts shipped in from St. Louis; securing seats for passengers on Bullwart's line at an over-inflated price; expediting the mail to Cook's Elbow by single riders ... all these and more took a heavy toll on the Colonel's pocket.

Business and the success of the Magpie Express seemed firmly clenched in the jaws of jeopardy.
Focus: The Cost of Quality

The Colonel had taken painstaking measures to ensure the Quality of the Magpie Express service before the stagecoach set off on its maiden voyage. He then worked hard and spent a lot of money to ensure that the repairs and the needs of pre-booked passengers were taken care of. In the end, these efforts to achieve a quality service didn't pay off. Why?

To answer this question, we need to look carefully at the cost of quality.

Attitudes Towards the Cost of Quality

There's a common misconception that a higher level of quality means a higher cost. The fact is, the cost of getting it right will nearly always be less than the cost of having to put right something that wasn't acceptable, either to the customer or to the organization.

To achieve quality requires time and properly directed effort. Getting it right for the customer, first time, every time, means spending resources wisely on preventing problems and avoiding mistakes. The truth of this is evident when we examine the strengths and flaws in the Colonel's strategy to achieve quality and the resulting costs.

The Cost of Quality

The Cost of Quality equals all costs incurred to achieve quality. These costs fall within one of three categories: Prevention, Inspection and Failure.

1. Prevention

This could be called a good quality cost. It is the cost incurred in making sure something is right "first time, every time." For the Colonel, hiring good Whips, employing Shotguns and purchasing a sturdy Concord coach are all examples of prevention costs – they help prevent problems that could arise from unskilled labour, unprotected travel and shoddy equipment.

In today's workplace, prevention costs include:

- training
- planning
- supplier certification (you need assurance that those who supply your goods or services are paying attention to quality)
- automation
- identifying customer requirements
2. Inspection Costs

These are the costs incurred as a result of having to check work to see whether it has been performed to the required standard – the costs of checking for deficiencies before they affect customers. Hiring Wheelwrights at Meadow Creek and Cook's Elbow to inspect and maintain the stagecoach is an example of an inspection cost that the Colonel incurred to ensure quality.

In today's organizations, inspection activities include:

- checking and inspecting work
- proof reading
- testing equipment
- carrying out audits on work done
- checking the quality of received goods and services
- assessing customer satisfaction levels.

3. Failure Costs

These are the costs when we fail to "get it right first time." The Colonel's greatest failure was not inspecting the condition of the trail before the Magpie Express left Meadow Creek on its first trip to Cook's Elbow. The costs that resulted from this failure represented the bulk of his unexpected expenses. These involved, among other costs, carting the Concord back to Meadow Creek for repairs, having custom parts shipped in from St. Louis, and securing seats for passengers on Bullwart's line at inflated prices.

Here we can see the flaw in the attitude that higher quality means higher costs. It's obvious that the cost of inspecting the trail would have been far less than the resulting failure costs. Again, getting it right will nearly always cost less than having to put right something that wasn't acceptable, either to the customer or to the organization.

Failure costs can be broken down into two categories, Internal Failure costs and External Failure costs.

**Internal Failure** costs are those costs incurred to put right all those things you find wrong before they go to the customer. They are the costs to repair, replace or scrap defective work, and include:

- re-work
- scrap and waste
- making up for unplanned computer down-time
- over-stock to account for defective parts
- idle time waiting for input.
**External Failures** are those that the customer sees. These costs are the most expensive to correct and can lead to more damaging consequences, such as the loss of a customer. They include:

- credits, write-offs
- billing errors
- poor service
- incorrect supplier payments
- complaint handling
- replacement costs
- warranty claims
- overtime
- lost customers and market share

There are also a number of hidden costs associated with failure, such as:

- reduced job satisfaction
- staff turnover
- absenteeism

**The Total Cost of Quality**

Combined, all these costs represent the Total Cost of Quality. The formula we use is therefore:

Cost of Quality (COQ) = Prevention + Inspection + Failure

The following graph shows how an organization can reduce the costs spent on inspection and failure by spending more on prevention. The result of this strategy over time is an overall reduction in the costs of quality.
Cost of Conformance vs. Cost of Non-Conformance

Costs spent on inspection and failure can be termed the cost of poor quality, or the cost of non-conformance. These are all those costs that would disappear if we could eliminate all the checking, inspection, rework, waste, etc. that happens because we haven’t done something right the first time.

Quality experts estimate that the cost of poor quality may account for 20 to 40% of the operating budget of an organization.
Your Personal Quest for Quality

Think of the different costs in your business unit.
- What preventative measures do you use to ensure the Quality of your service/product?
- How do you inspect the Quality of your service/product?
- What costs have you or do you incur as a result of internal and/or external failures?

Use the table below to jot down your examples. You will gain more from this exercise if you can share your thoughts and ideas with others in your work/study group.

<table>
<thead>
<tr>
<th>Examples of Costs in your Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevention</td>
</tr>
<tr>
<td>Inspection</td>
</tr>
<tr>
<td>Internal Failure</td>
</tr>
<tr>
<td>External Failure</td>
</tr>
</tbody>
</table>

As we have seen, the need to measure and improve quality through prevention and inspection reduces the more expensive failure costs. In the next unit, we'll see how closing these "quality gaps" sets off a chain reaction of events that benefit your organization.
Unit 3: Quality – Why Bother?

Introduction
This unit examines the reasons why we should concern ourselves with achieving Quality. It starts with the third chapter from our fictitious case study, The Magpie Express Company. The chapter picks up with the Colonel trying to solve the problems that resulted from a washed out section of trail. We'll see how his concern for preventing the problem from occurring again leads to better quality service. We'll also see how this improved quality results in benefits for both the customers and the organization. These events are used in the Focus section to illustrate the concepts associated with the need to improve quality.

Objectives:
By the end of this unit, you'll be able to:
- Appreciate the need to measure quality in order to close quality gaps.
- Trace the flow of benefits that result from improving quality.
- Understand the concepts associated with the need to achieve quality.

Reading Tips
While reading the third chapter, “Mr. Diggs Comes To Town,” look for examples of:
- Preventative costs
- Benefits to the customer that result from prevention costs
- Benefits to the organization that result for prevention costs
- Acting on customers’ needs

We’ll refer back to these examples in the Focus section for a closer study of “Quality – Why Bother?”
Mr. Diggs Comes to Town

Despite the discomfort of his war wound, the Colonel led a group of able-bodied men out to the rocky pass to inspect the trail's condition. It turned out that an early spring melt had washed out a section of trail. A good two-mile stretch was beaten with dib-bits and potholes, stones the size of bloated chickens and enough debris to feed a hungry herd of cattle.

After a few hours surveying the dilemma, most of the men came to the consensus that the trail was a lost cause. Better, they said, to continue using the traditional Deep Valley route, even if it meant a longer trip.

The Colonel frowned at their suggestion. He knew there had to be a better solution. With this thought, he took out his notepad, sat down on a flat rock and began to write a letter to an engineer he once served with in the military.
To my esteemed colleague Mr. Diggs,

Urgency requires that this be short and to the point. As you are well aware, I too have retired from the military. My campaigns now consist of two hotels and a fledgling express stagecoach and mail service. It is the latter that concerns this correspondence.

I find myself in yet another predicament that could benefit from your engineering wisdom. There is a section of trail that I bid you to study. Its tendency to wash out in the spring was unbeknownst to me. As a result, the Magpie enterprise is presently on the verge of collapse.

I ask that you join me at your earliest convenience to investigate the matter in greater detail.

Yours truly,
Colonel Magpie.

With the ink barely dry, he folded the letter, handed it to one of the riders and bid him Godspeed. Then the Colonel lifted the rock on which he had been sitting and pitched it a good 20 feet from the trail. Following his lead, the other men began clearing the mountain of debris.

A week of backbreaking work rendered the trail useable again. The Magpie Express Company could resume business until next season's melt waters. At least that was the opinion of Diggs. He had arrived at Meadow Creek with all kinds of surveying equipment and a trunk load of tools. After conducting a careful analysis of the mountain pass and toiling with schemas throughout many nights, he presented the Colonel with the following solution – blast along the side of the mountain and build a sloped roof over the dangerous section of trail to shelter the road from melt water and landslides.

Most people thought the Colonel was crazy when he agreed to Diggs' idea. Why pay all that money when a work crew of a few men once a year could clear up the trail in a week? But the Colonel had done his math.

Together, Diggs and the Colonel had calculated the savings that a preventative solution would accrue. There would be no need to cart the
stagecoaches back for repairs, or have custom parts shipped in from St. Louis. Nor would they have to rely on Bullwart's line to help them out each time their stagecoach broke down. Furthermore, hiring people every year to clear the trail would eventually cost more than building a sloped cover. These facts backed the Colonel's final decision and construction began.

After a month of blasting, clearing and building, the covered pass was complete. With the improvements, the company's reputation as a provider of safe, fast and comfortable transportation and reliable mail service took off.

The new efficiency of the Magpie Express brought on more passengers, more mail and more revenues. These earnings the Colonel ploughed back in to the company – improving road conditions, buying more stagecoaches and horses, and offering more runs. With more customers, he was able to lower the standard fare.
The demand for business snowballed. Life became so hectic that no one at the company had time to catch their breath, or to catch up on the latest story in the newspapers – Deep Valley Gang Strikes Again.
Focus: Quality – Why Bother?

This chapter from The Magpie Express Company illustrates the need to measure quality in order to close quality gaps. By the end, we saw a complete turnaround in the Colonel's business. A closer study will help explain how this turnaround happens in any organization that can identify and close quality gaps.

What is a Quality Gap?
In Unit 1, we said that quality is meeting or exceeding the customer's agreed requirements at lowest cost, first time, every time.

A quality gap is simply the difference between where you are and where you want to be in order to meet or exceed the customer's agreed requirements at lowest cost, first time, every time.

Poor Quality – What It All Costs
As we saw in Unit 2, the quality gap for the Magpie Express Company was their failure to identify and deal with unstable trail conditions before they could affect customer service. When the stagecoach broke down, this quality gap resulted in a massive amount of unexpected expenses. These expenses are defined as external failure costs because the company had to correct all the damaging consequences that resulted from not having avoided the problem in the first place.

The Need to Measure Quality

To prevent the problem from occurring again, the Colonel had two choices: inspect or prevent.

Initially, inspection would have been cheaper. While it wouldn't have closed the quality gap, it would at least have warned him when the trail needed maintenance. This would have allowed the company to clean up the trail before it could affect their customer service.

Prevention would have involved a lot more money up front, but it would have effectively closed the quality gap. In other words, the unstable condition of that stretch of trail would no longer have affected the quality of the Magpie Express service.
Measurement played a key role in the Colonel's final decision. As the story said, he'd done his math and calculated the savings that would accrue from building a covered tunnel. Similarly, we need to measure quality in our workplace processes in order to identify quality gaps and find the best methods to close them. As we said in an earlier unit, what gets measured gets improved.

**Benefits of Closing Quality Gaps**

The graph in Unit 2 illustrated how an organization can reduce the costs spent on inspection and failure by investing in prevention. Over time, this strategy leads to reduced costs of quality. It also sets off a chain reaction of events that benefit both the customers and the organization.

Let's look at how that chain reaction affected the Magpie Express:

- Building the covered pass led to greater efficiencies because it reduced the time and costs associated with inspection and failure costs.
- This allowed the company to deliver on their agreed requirements of "safer, faster and more comfortable" travel.
- The ability to meet customers' requirements led to greater customer satisfaction, which resulted in more business.
- More business meant more runs, which meant more revenue.
- More revenue allowed the Magpie Express to buy more stagecoaches and offer more runs at a lower fare.
- The lower fare attracted more customers.
- More customers for the Magpie Express meant more patrons for the Magpie Inn at Meadow Creek and the Magpie Inn at Cook's Elbow.
- All this resulted in a greater rate of growth for both of the Colonel's businesses.

**The Flow of Benefits from Improving Quality**

The following diagram illustrates the flow of benefits that result from improved Quality.
As quality improves, so does customer satisfaction.

In the business sector, this flow of benefits leads to the retention of customers and greater market share. Quality improvement also drives down operating costs. This not only allows the organization to improve productivity but also creates an opportunity to reduce prices, again encouraging greater market share. All this drives up profits, which helps the company stay in business and create more jobs.

In public sector and not-for-profit organizations, increased customer satisfaction leads to an improved bottom line, which in turn frees up resources for other activities in the organization.

**Three Approaches to Improving Quality**

There are three basic approaches to improving quality.

1. A strategic approach to managing the organization toward ‘Excellence’
2. Personal actions by everyone in the organization that help create a culture of quality
3. Projects aimed at continually improving quality

This workbook examines the first two approaches in Units 4 and 5 respectively. The third approach is the focus Modules 2 and 3 of the Quest for Quality training course. Modules 2 and 3 are both in-class sessions.
Your Personal Quest for Quality

Think of quality gaps in your business unit. Do they occur because you:
- Don’t meet or exceed customer’s requirements?
- Don’t do it at lowest cost?
- Don’t do it every time?

Use the table below to jot down examples from your Organization. You will gain more from this exercise if you can share your thoughts and ideas with others in your work/study group.

<table>
<thead>
<tr>
<th>Quality Gaps in your Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>An example of not meeting or exceeding requirements is …</td>
</tr>
<tr>
<td>An example of not doing it at lowest cost is…</td>
</tr>
<tr>
<td>An example of not doing it every time is…</td>
</tr>
</tbody>
</table>

You have seen that applying quality concepts and principles helps close quality gaps. In the next two units we will examine in detail how quality can be applied both at the organizational and personal level.
Unit 4: Achieving Quality at the Organizational Level

Introduction
This unit examines how we achieve quality at the organizational level. It starts with the fourth chapter from our fictitious case study, The Magpie Express Company. The chapter picks up with the Colonel trying to manage the company as it continues to grow. In doing so, we'll see how the company implements a strategic approach to achieving quality at the organizational level. These events are used in Unit 4’s Focus section to illustrate the concepts associated with achieving quality at the organizational level.

Objectives
By the end of this unit, you'll be able to:

- Appreciate the need for a strategic approach to achieving Quality at the organizational level.
- Categorize quality practices under Excellence Canada’s Framework for Excellence.
- Understand the concepts behind a strategic approach to quality.

Reading Tips
While reading the fourth chapter, “A Stampede of Magpies”, look for examples of:

- Organizational procedures to help achieve quality
- Actions taken to ensure quality
- Partnerships with other organizations to better serve the customers

We'll refer back to these examples in the Focus section for a closer study of “Achieving Quality at the Organizational Level?”
A Stampede of Magpies...

Even after hiring Diggs full-time to help manage the company's projects, life remained frenzied. Then the rumours of gold became a reality. A band of prospectors had discovered a huge vein at Red Canyon some 300 miles from Cook’s Elbow.

The rush started overnight – hundreds came hoping to strike it rich. Local people, lured by the promise of instant wealth, traded their tools for a pickaxe and shovel – including some of the Magpie Express employees. Their absence only added to the Colonel's strain. And while he would not join their dance with lady luck, he knew that the rush was a golden opportunity for a hotel and travel company such as his own.

However, two questions weighed on the Colonel. First, how could he keep his good employees from leaving? Second, how could he possibly manage the cost of expanding the Magpie hotels and express service into Red Canyon?

These he wrestled with many a night in the privacy of his bathtub. Unable to find a solution himself, he went to the bar at the Magpie Inn and solicited the advice of the employees he most respected.

Their opinion was unanimous. If the Colonel wanted to guard against a coronary, he would need to redefine his position and farm out his responsibilities to other equally capable people. The Colonel was touched by their concern for his health and vowed that any future success for the company would see a raise in the salaries of all employees. He also promised that any selection for a higher post would come from within the company first. To this they all toasted, several times, throughout the evening.

With the support of his staff, the Colonel embarked on building and extending his enterprise over the next year.
Having learned an important lesson from the first voyage of the Magpie Express and the problems that resulted because of the poor condition of the trail, the Colonel made prevention a cornerstone policy. Diggs commandeered improved road construction from Meadow Creek to Cook’s Elbow to Red Canyon. Way stations were built along the trail every 25 miles to provide rest and provisions to the never-ending stream of prospectors and customers. At Meadow Creek, Cook’s Elbow and Red Canyon the Colonel ordered construction of new hotels.

To oversee and manage the various parts of his operations, he appointed trusted and capable leaders. Annie Blazer, who showed her mettle as the quickest, brightest and most responsible Whip, became the area superintendent for the stagecoach and express services, while managers with
bona fide European experience were hired at each new hotel.

Though the express mail and stagecoach company and the hotel businesses were distinct in many ways, they both catered to the same customer. In this sense, they were part of a larger process. To help manage the overall process, the Colonel ensured that a formalized means of communication existed at all levels of operation. Information was passed up through a chain of command and reviewed during regular monthly meetings. Here leaders from both businesses came to share reports on performance and to tackle the issues that affected customer service. The fruits of these meetings helped create the plans for the company’s future growth.

*****

All the while the Magpie Express continued delivering more people and more
mail as well as a new commodity – gold. Up to now, passengers had been forced to carry their satchels full of gold on the stagecoach, since the nearest bank, Callaway’s, was in Cook’s Elbow. With their riches onboard, the stagecoaches became an attractive target for robbers.

Knowing that the Shotgun who rode with each stagecoach would be seriously outmatched by a gang of criminals, Annie Blazer recommended upping the level of security. With the help of the local authorities, she organized small posses of armed men to secretly follow the stagecoaches from Red Canyon to Cook’s Elbow. When the Deep Valley Gang struck again, they were quickly surrounded and had to give up their guns.

While the apprehension of the gang gave cause for a huge celebration, Annie had warned the Colonel that at any moment a similar gang of ruffians could attack. Together, they took this matter up with Callaway’s Bank in Cook’s Elbow. The two organizations agreed to the following. Callaway’s would open a branch office at Red Canyon, while the Magpie Express Company
would purchase specially designed, reinforced stagecoaches and hire a trained force of armed men for the sole purpose of transporting gold and other valuables to and from various destinations in the region.

The agreement marked a new and important turn in the Magpie Express Company. But there were many more turns to come.
Focus: Achieving Quality at the Organizational Level

The discovery of gold in Deep Canyon offered tremendous opportunities both for the prospectors and for entrepreneurs like the Colonel. The ability of the Magpie enterprise to capitalize on these opportunities stemmed from their approach as an organization to managing the total quality of their service.

Achieving Quality as an Organization

In this section we will analyze how the Magpie Express Company achieved quality as an organization. We will examine their goal of providing quality service to their customers, their aim of achieving ‘Excellence’ within the organization, the strategies they implemented to ensure ‘Excellence’, and the benefits that accrued.

1. Quality Revisited

Throughout the expansion of the Magpie Express Company, their commitment to quality never wavered. At the forefront of each business decision was the goal to meet or exceed their customers’ agreed requirements by providing safer, faster and more comfortable stagecoach travel at the lowest cost, first time, every time. Achieving, maintaining and improving upon this goal involved a commitment to ‘Excellence’ at all levels of the organization.

2. ‘Excellence’

‘Excellence’ is simply the achievement of quality in every aspect of an organization’s activities. We aim for ‘Excellence’ because, as we saw in Unit 3, becoming a quality organization sets off a chain reaction of events that benefit both the customers and the organization.

Everyone is involved, at every level, in every work unit, every day. No one is excluded.
3. Strategies Implemented to Ensure a Strategic Approach to Quality

The Magpie Express Company used several strategies to achieve quality at the organizational level. We can organize these strategies into four categories: Leadership, Planning, People Focus and Customer Focus. Strategies the Colonel used under each of these categories include:

**Leadership**
- Soliciting the ideas and opinions of the employees to develop new processes by going to the tavern to discuss expanding the company.
- Clearly defining ownership of these processes by hiring a Superintendent and Hotel Managers.
- Monitoring the improvements to processes through regular written reports.

**Planning**
- Meeting monthly with the Superintendent, Hotel Managers and other key personnel to share/analyze business data and develop new/revised business plans.

**People Focus**
- Recognizing the success/abilities of internal people and recruiting them first for positions within the company (e.g. the Colonel's promise at the bar and the promotion of Annie Blazer from Whip to Superintendent).

**Customer Focus**
- Improving service by developing way stations every 25 miles for both customers and prospectors.
- Working with the Bank to create an armoured stagecoach service to secure the transportation of gold and other valuables in the region.
- Improvements to Business Performance

We can see the chain reaction of benefits that accrued as a result of the Magpie Express Company’s strategic approach to achieving quality throughout the organization. They include:

- Higher customer satisfaction, loyalty and retention.
- Higher employee satisfaction, loyalty and retention.
- Clearly defined and well-managed processes that led to steady growth and prosperity.
- Solid reputation as a responsible company concerned with the overall development of the area and well being of the people.
A Strategic Approach to Quality

Good organizational performance is achieved by applying management practices that are based on the principles of quality. Many organizations have brought these management practices together to form Quality Frameworks. In Canada, Excellence Canada developed a successful model called the Canadian Framework for Excellence.

Excellence Canada’s Framework for Excellence has been used by many organizations that are committed to the principles of quality and achieving organizational excellence, including American Express Canada, Delta Hotels, Canada Post, Maclean’s Magazine, City of Sault Ste. Marie, Royal Roads University and the BC Transplant Society, to name just a few. The following diagram shows the current version of the Framework for Excellence.

Figure 3 – EXCELLENCE CANADA’S CANADIAN FRAMEWORK FOR EXCELLENCE
Excellence Canada’s Canadian Framework for Excellence

As the diagram shows, the Framework sets out in six categories a number of practices that an organization should carry out in order to help it achieve good overall organizational performance. These are referred to as enablers or drivers, because if followed, they enable the company to achieve the results desired.

These six drivers are:
- Leadership
- Planning
- Customer/Citizen/Client Focus
- People Focus
- Process Management
- Supplier/Partner Focus

At the top of the model is a category entitled Overall Organizational Performance. Generally speaking, we can equate Performance with how well an organization acts in all of these six categories. It is therefore essential that the organization pay equal attention to each category.

At the bottom of the diagram is a category entitled Principles of Quality. In a sense, these represent the foundation of every decision and every action in an organization. The guiding principles form the starting point on the journey. We will examine these principles in greater detail in Unit 5.
Quality Drivers

The Canadian Framework for Excellence is used by public sector and private sector organizations. The following charts summarize the Canadian Quality Criteria for Public Sector Excellence and the Canadian Framework for Business Excellence.

### Canadian Quality Criteria for Public Sector Excellence

<table>
<thead>
<tr>
<th>Drivers</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leadership</strong></td>
<td>Focuses on those who have primary responsibility and accountability for the organization's performance, usually referred to as senior management.</td>
</tr>
<tr>
<td></td>
<td>• Strategic direction</td>
</tr>
<tr>
<td></td>
<td>• Leadership involvement</td>
</tr>
<tr>
<td></td>
<td>• Results of leadership actions</td>
</tr>
<tr>
<td></td>
<td>• Continuous improvement</td>
</tr>
<tr>
<td><strong>Planning</strong></td>
<td>Examines the planning process in regards to the linkage of planning to strategic direction (or intent), in regards to improvement and the measurement of performance to assess progress.</td>
</tr>
<tr>
<td></td>
<td>• Development and content of improvement plan</td>
</tr>
<tr>
<td></td>
<td>• Assessment</td>
</tr>
<tr>
<td></td>
<td>• Results of actions through improvement planning</td>
</tr>
<tr>
<td></td>
<td>• Continuous improvement</td>
</tr>
<tr>
<td>Drivers</td>
<td>Criteria</td>
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<td>-------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Customer/Citizen/Client Focus</strong></td>
<td>Examine the organization’s focus on customer service and/or product delivery, to achieve customer/client satisfaction. Voice of the client/stakeholder</td>
</tr>
<tr>
<td></td>
<td>- Management of client/stakeholder relationships</td>
</tr>
<tr>
<td></td>
<td>- Measurement of client/stakeholder satisfaction</td>
</tr>
<tr>
<td></td>
<td>- Results of actions on citizen/client focus</td>
</tr>
<tr>
<td></td>
<td>- Continuous improvement</td>
</tr>
<tr>
<td><strong>People Focus</strong></td>
<td>Examine the development of a human resource plan for meeting the goals of the organization and achieving excellence through people. Also examined are the organization’s efforts to foster and support an environment that encourages people to reach their full potential. Human resource planning</td>
</tr>
<tr>
<td></td>
<td>- Participatory environment</td>
</tr>
<tr>
<td></td>
<td>- Continuous learning</td>
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<td></td>
<td>- Employee satisfaction</td>
</tr>
<tr>
<td></td>
<td>- Results of actions from a focus on people</td>
</tr>
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<td>- Continuous improvement</td>
</tr>
<tr>
<td>Drivers</td>
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<td>--------------------------------------------------------------------------</td>
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<tr>
<td><strong>Process Management</strong></td>
<td>Examines how work is organized to support the organization’s strategic direction, with a focus on the management of key processes as well as continuous improvement. Key processes are those that are critical for success and normally have a major impact on customers. Process definition</td>
</tr>
<tr>
<td></td>
<td>• Process control</td>
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<tr>
<td></td>
<td>• Process improvement</td>
</tr>
<tr>
<td></td>
<td>• Results of actions in Process Management</td>
</tr>
<tr>
<td></td>
<td>• Continuous improvement</td>
</tr>
<tr>
<td><strong>Supplier/Partner Focus</strong></td>
<td>Examines the organization’s external relationships with other organizations, institutions and/or alliances that are critical to its meeting its strategic objectives. Partnering</td>
</tr>
<tr>
<td></td>
<td>• Results of actions in Supplier Focus</td>
</tr>
<tr>
<td></td>
<td>• Continuous improvement</td>
</tr>
<tr>
<td><strong>Organizational Performance</strong></td>
<td>Examines the results, the outcome from the overall efforts for improvement focused on the “Drivers” and their impact on accomplishment. Service/product quality</td>
</tr>
<tr>
<td></td>
<td>• Organization results</td>
</tr>
<tr>
<td></td>
<td>• Client/stakeholder satisfaction</td>
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<tr>
<td></td>
<td>• Employee satisfaction and morale</td>
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<td></td>
<td>• Financial performance</td>
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</tbody>
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## Canadian Framework for Business Excellence

<table>
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<tr>
<td></td>
<td>• Plan Development</td>
</tr>
<tr>
<td></td>
<td>• Plan Implementation and Review</td>
</tr>
<tr>
<td></td>
<td>• Continuous improvement</td>
</tr>
<tr>
<td><strong>Customer/Client Focus</strong></td>
<td>Examines the organization’s focus on customer service and/or product delivery, to achieve customer/client satisfaction. Customer, market and product knowledge</td>
</tr>
<tr>
<td></td>
<td>• Management of customer relationships</td>
</tr>
<tr>
<td></td>
<td>• Continuous improvement</td>
</tr>
<tr>
<td>Drivers</td>
<td>Criteria</td>
</tr>
<tr>
<td>-------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>People Focus</strong></td>
<td>Examines the development of a human resource plan for meeting the goals of the organization and achieving excellence through people. Also examined are the organization’s efforts to foster and support an environment that encourages people to reach their full potential. Human resource planning</td>
</tr>
<tr>
<td></td>
<td>• Participatory environment</td>
</tr>
<tr>
<td></td>
<td>• Continuous learning</td>
</tr>
<tr>
<td></td>
<td>• Employee satisfaction and well-being</td>
</tr>
<tr>
<td></td>
<td>• Continuous improvement</td>
</tr>
<tr>
<td><strong>Process Management</strong></td>
<td>Examines how work is organized to support the organization’s strategic direction, with a focus on the management of key processes as well as continuous improvement. Key processes are those that are critical for success and normally have a major impact on customers.</td>
</tr>
<tr>
<td></td>
<td>• Process development</td>
</tr>
<tr>
<td></td>
<td>• Process control</td>
</tr>
<tr>
<td></td>
<td>• Process improvement</td>
</tr>
<tr>
<td></td>
<td>• Continuous improvement</td>
</tr>
<tr>
<td><strong>Supplier/Partner Focus</strong></td>
<td>Examines the organization’s external relationships with other organizations, institutions and/or alliances that are critical to its meeting its strategic objectives. Partnering</td>
</tr>
<tr>
<td></td>
<td>• Supplier/Partner Management</td>
</tr>
<tr>
<td></td>
<td>• Continuous improvement</td>
</tr>
</tbody>
</table>
Drivers | Criteria
---|---
**Organizational Performance** | Examines the results, the outcome from the overall efforts for improvement focused on the drivers, and their impact on accomplishment.  
- Customer focus  
- People focus  
- Process management  
- Partnerships  
- Responsibility to Society  
- Owner/Shareholder Focus

Improvement to Business Performance

By following the criteria described in each of the six categories, an organization can significantly improve its performance. Improved performance is illustrated by positive levels and trends in key performance metrics, such as:

- Customer/citizen/client satisfaction, loyalty and retention
- Operational and financial results
- Employee satisfaction, loyalty and retention
**Canada Award for Excellence**

Excellence Canada’s *Canada Awards for Excellence* recognize organizations that meet the criteria laid out in their Framework for Excellence which we examined in this section. In the first ten years of the CAE, over 300 organizations across Canada have won this prestigious award. The most recent winners include:

- 3M Canada Company - Gold Trophy
- NuComm International – Gold Trophy
- Xerox North American TeleWeb – Gold Trophy
- Telus - Gold Trophy
- Purolator Courier Ltd.
- Mullen Trucking
- Canada Post, Saskatoon Operations
- Homewood Health Centre, Guelph, Ontario
- Dana Canada Inc., Spicer Driveshaft Group, Magog, Quebec
- Cardiac Care Network of Ontario
- Dana Corporation, Spicer Driveshaft Division
- Diversicare Canada Management Services – Ontario Division
- IBM Solution Delivery Services
- Dana Canada Inc., Structural Solutions Division – Automotive Systems Group
- Gleneagles Elementary School
- Honeywell (FRAM) Consumer Products Group

A full listing of CAE recipients since 1984 is listed on the Excellence Canada web site [www.excellence.ca](http://www.excellence.ca).

While it’s good to celebrate achievements, we should never be complacent about the quality of the products and services we provide. There is always a better way to do things. An organization’s goal should be to continually aim higher.
Where does your organization stand on its Quest for Quality?

To help you find out, we've provided a list of questions for you to consider. These are taken from Excellence Canada’s Organizational Excellence Reality Check Questionnaire.

Your task is to assign a percentage rating for each question as it pertains to your organization. This is not a pass/fail exercise. It is a tool that will allow you to reflect on your organization's current position in the journey to excellence. Sharing this with colleagues will help to advance organizational consensus.
Excellence Canada – Organizational Excellence Reality Check Questionnaire

To help you complete this activity, you can refer to the rating scale below.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Scale</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Just beginning</td>
<td>0%</td>
<td>• No systematic approach evident</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Emphasis is purely on corrective action as opposed to preventive</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Very little deployment within the organization</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Few and/or poor results</td>
</tr>
<tr>
<td>Good start</td>
<td>10-30%</td>
<td>• Beginning of a systematic approach</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• In transition from corrective to preventive mode</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Deployed in some areas of the organization/department</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Some good results are achieved and positive trends evident, no comparative data</td>
</tr>
<tr>
<td>Well on the way</td>
<td>40-60%</td>
<td>• Sound systematic approach</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• More emphasis on improvement than on correction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Deployed in all major areas and in some support areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Good results achieved, positive trends in all key areas with some comparative data</td>
</tr>
<tr>
<td>Fully implemented</td>
<td>70-90%</td>
<td>• Systematic approach</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Well implemented across the organization</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Effectiveness assessed at high level</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Key processes are understood, documented, stable and reviewed for improvement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Focus on continuous improvement</td>
</tr>
<tr>
<td>Best practice organization</td>
<td>100%</td>
<td>• Sound systematic approach, fully integrated with refinements over many years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Continuous improvement is a way of life in all areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Deployment in all key and support areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Outstanding (world-class) results and trends compared to leaders in other sectors and countries.</td>
</tr>
</tbody>
</table>
Instructions

Please provide your rating (%) on each of the following questions. Also comment on strengths and opportunities that arise from the questions. For example, you might be strong on many of the actions addressed, using very innovative approaches and getting good results. If so, briefly describe the approach/action as a strength. Remember, this is not a pass/fail exercise. It is a tool that will allow you to note how you perceive your organization's current position in the journey to excellence. Sharing this with colleagues will help to advance organizational consensus.

<table>
<thead>
<tr>
<th>Questions</th>
<th>%</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is there a strategic plan in place, reflecting quality principles and incorporating ambitious improvement objectives, and has it been communicated at all levels?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Are there positive trends in key measures of the departmental operation performances?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Is the information gathered, analyzed and evaluated to determine customer needs?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Do we have full agreement on the importance of customer satisfaction, at all levels?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Do we make it easy for customers to provide input on their needs, seek assistance and register complaints?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Are there good levels and trends in customer satisfaction, including comparisons with other organizations and competitors?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Are issues identified, prioritized and measured, and are improvement goals set?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Are formal quality assessments conducted?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Are systems in place to recruit, select, recognize, develop, assess and re-deploy our people, and are steps also taken to minimize the effects of restructuring?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Questions</td>
<td>%</td>
<td>Comments</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
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<td>----------</td>
</tr>
<tr>
<td>10  Do we determine training and development needs to meet goals in the improvement plan and respond to these needs?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11  Are people’s suggestions and ideas encouraged and implemented?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12  Do we train people in quality improvement principles and methods?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13  Do we identify the contributions of our people, measure their satisfaction levels and link the feedback to future improvement opportunities?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14  Are there good levels and trends in employee satisfaction and morale?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15  Do we design, describe, and document processes capable of delivering products and/or services that meet our customers’ requirements?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16  Are problems analyzed, causes identified, and action taken to prevent recurrence and provide for future process improvement?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17  Are process improvements implemented and monitored, and are changes embedded to ensure consistency in the future?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18  Are processes analyzed to determine opportunities for continuous improvement through incremental refinement and/or fundamental redesign?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19  Are there good levels and trends in product and/or service quality?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20  Do we have cooperative working relationships with our partners?</td>
<td></td>
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</tr>
</tbody>
</table>
Implementation of Excellence

Excellence Canada’s Progressive Excellence Program® (PEP)

PEP takes the full Framework for Excellence and breaks it down into four achievable levels. Organizations work from Level 1 to Level 4 and achieve recognition every step of the way.

PEP was also designed to help organizations “keep the focus” as the time frame between each level is set at 12-18 months which means clear goals can be set over a reasonable time period. Organizations that have received the Canada Awards for Excellence typically note that their journey took 3-5 years. PEP is in part a motivational process in that organizations can celebrate achievement along the journey. Achievement of PEP Level 3 leads to the Canada Awards for Excellence.

PEP provides the framework and strategic context for ISO and other systems such as hospital accreditation, Six Sigma, LEAN manufacturing, Customer Relationship Management so that an organization can incorporate other improvement initiatives into a holistic integrated...
management system. In other words, these other systems fit within the PEP Framework, and help improve operations as well as overall results.

**PEP LEVELS in brief**

**Level One**
Focused on "approach" your organization must demonstrate a commitment to continuous improvement, and that you are implementing a long-term strategic focus on excellence.

**Level Two**
Building on the commitment established at Level One, the second level indicates your organization has widened the understanding of its approach to excellence, and can describe implementation that demonstrates forward movement and good results achieved in some key areas, as defined in the Excellence Canada Criteria. This level requires an application, plus an Excellence Canada-approved assessment.

**Level Three**
Building on the solid foundation established at Level Two, your organization will demonstrate it has achieved wide implementation of its strategic focus on excellence through the understanding and application of Excellence Canada Criteria, with positive early results achieved in key areas. This level requires an application, plus an Excellence Canada-approved assessment. An organization which obtains Level Three and wishes to apply for Level Four must do so within two years of receiving Level Three recognition.

**Level Four**
Building on your good work and outcomes from Level Three, your organization can demonstrate that it has achieved good to excellent overall results and trends from its efforts for overall improvement. Continuous improvement is a 'way of life' in your organization. This level requires an application, plus an Excellence Canada-approved assessment.

Unit 5: Achieving Personal Quality

Introduction

This unit examines how we achieve quality at the personal level. It starts with the fifth chapter from our fictitious case study, The Magpie Express Company. The chapter picks up with the business facing new challenges in its quest to become an ‘Excellence’ Organization. We’ll see how the Colonel and his employees, by practicing quality principles on a personal level, help the company meet these challenges. We’ll also see the wider benefits that result from achieving personal quality. These events are used in the Focus section to illustrate the concepts associated with achieving personal quality.

Objectives

By the end of this unit, you’ll be able to:

- Appreciate the value of sharing a common set of quality principles in an organization.
- Categorize quality attitudes and behaviours under Excellence Canada’s Framework for Excellence.
- Describe the 8 principles of Quality under Excellence Canada’s Framework for Excellence.

Reading Tips

While reading the fifth chapter, “Birds Of A Feather…”, look for examples of:

- achieving personal quality
- practicing quality principles
- wider benefits that result from achieving personal quality

We’ll refer back to these examples in the Focus section for a closer study of “Achieving Personal Quality”
The rapid changes around Meadow Creek, Cook's Elbow and Red Canyon were nothing compared to what was happening elsewhere in the country. Bright minds were coming up with new and improved ways of doing all kinds of different things.

Being an engineer, Diggs followed these developments closely. He realized the potential of new technologies, and so arranged a meeting with the Colonel to discuss the wonders of a new invention called "the telegraph."

Diggs' enthusiasm to set up a local telegraph service was undeniable, but the Colonel shook his head.

"Tapping on a wire," he said, "is the lazy man’s way to communicate and offers none of the richness that paper, pen and prose can provide."

Diggs rebutted. He argued that although there would always be a need for letters, the telegraph offered cheaper and faster communication – a critical service that even their own company could surely use in emergencies.

Diggs' argument persuaded the Colonel to find out more before making a final decision. He sent the engineer off to St. Louis to investigate the costs and benefits associated with a telegraph service. When Diggs returned, he presented his report at the company's monthly meeting. The facts were compelling. Communication was already changing around the country. Even the famous Pony Express had been shut down overnight by a telegraph service that offered faster and cheaper communication.

As an important provider of communications in the area, the Magpie Express Company would have to move, and move fast, before a similar telegraph company could offer their customers better service.

The construction of the Magpie telegraph network is a story unto itself. Of particular interest, however, was the first commercial message sent over its wires. When the Colonel fell sick and was unable to attend the wedding of
Humphrey Dewitt and the schoolteacher, Virginia Forester, he inaugurated the telegraph by sending his best wishes from Meadow Creek to Cook's Elbow in a matter of seconds.

*****

The illness that had gripped the Colonel confounded the most learned doctors. He spent the majority of his days either resting in bed, or contemplating life from his bathtub. There was so much he had learned and so much he had gained from others. Annie, Diggs, Humph and all those employees whose bright ideas and commitment improved the overall quality of service were the real cause for the company's success. With the intention of capturing the wisdom he had acquired, the Colonel began writing his masterpiece, a book entitled The Quintessence of Quality.
The book laid out what the Colonel believed were the fundamental principles of quality that all levels of an organization needed to follow to achieve customer satisfaction and success. Wanting to ensure a common vision of quality throughout his own company, the Colonel sent out copies of the book to all his staff for "self improvement" reading.

Unfortunately, many of these copies ended up in people's outhouses. The problem was that a large percentage of the stagecoach drivers, wheelwrights, and labourers couldn't read. The pages were therefore put to a more practical use. Humph, who was by then the most senior wheelwright, brought this to the attention of Annie. Annie in turn took the matter up during a regular monthly meeting. She presented to the group Humph's idea of soliciting the aid of local schools to set up an after-work tutoring program. In return, the company would purchase new textbooks and equipment for the schools. Both parties were keen to pursue Humph’s idea.
Soon, adult education classes were offered at night. Men and women who had been cut off from the world of print slowly began to read and write. And as the literacy rate grew, so did the workers’ potential. The area quickly came to be known for its educated workforce. This attracted new industries to settle in these parts. In fact, development was growing so fast that it threatened much of the local wilderness.

Maybe it was the Colonel's love of the outdoors and the fact that his last years were spent in bed. Maybe it was his belief that the company had an important duty to improve society. Likely it was a combination of both. But the Colonel's last act as head of the enterprise came at the request of a citizens' group. Their concern about the threat of industrial growth to a local fishing and picnicking area led to the purchase and creation of the region's first Nature Reserve, privately funded by the Magpie Express Company.
Focus: Achieving Personal Quality

This chapter marked an important evolution in the Magpie Express Company. From a business led by one man, the Colonel, it transformed into a much larger company where people at all levels became stakeholders and participants in the company's success. The transition from a company owned by one to a company owned by many was made possible through a common set of quality principles that everyone shared.

By instilling and practising quality principles, employees throughout the Magpie Express Company developed a quality mindset. This mindset empowered them to find ways of improving the total quality of the organization.

In this unit, we'll examine how adopting and practising Quality Principles is one of the primary ways in which an organization starts to transform itself into an 'Excellence' organization.

Principles of Quality

Realizing the need for a common vision of quality, the Colonel set out to capture what he viewed as the fundamental principles in his book The Quintessence of Quality. More important, he practiced what he preached. And by setting the example, so did the others.

Principles of Quality are applied, not as a sort of quality To Do list, but more as a set of attitudes and behaviours. In essence, they are what we believe in and work towards to make sure quality becomes a reality. Applying these principles creates a quality culture in the organization.

Many successful organizations use the principles of quality found in Excellence Canada's Framework for Excellence. As we saw in Unit 4, these principles form the foundation of decision-making within a quality framework. They are applied both at an organizational level (through policies) and at the personal level (through behaviours and attitudes).
There are eight principles in total under Excellence Canada’s Framework for Excellence:

- Principle 1 – leadership through involvement
- Principle 2 – primary focus on the stakeholders
- Principle 3 – cooperation and teamwork (including partnerships)
- Principle 4 – prevention based process management
- Principle 5 – factual approach to decision-making
- Principle 6 - continuous learning and people involvement
- Principle 7 – continuous improvement and breakthrough thinking
- Principle 8 – fulfill obligations to all stakeholders and society
These principles may seem like common sense, and in fact, they have existed in successful organizations throughout history. Let’s take a closer look at each principle with appropriate illustrations from the Magpie Express Company.

1. **Leadership through involvement**

   “Encourages leaders to create and maintain an internal environment in which people can become fully involved in achieving the organization’s objectives.”

   We saw this through the active involvement of Annie Blazer, who spearheaded the alliance with Callaway’s Bank, and Humphrey Dewitt, who identified the need for a tutoring program to teach literacy. Involvement like this from both leaders and workers establishes purpose and direction for everyone.

2. **Primary focus on stakeholders**

   “Emphasizes the need for the organization to be focused primarily on the stakeholders, to know and understand both their current as well as future requirements and identify the barriers to meeting those requirements.”

   Stakeholders are all those who have a stake in the quality of the organization. In the pursuit of quality service, the Magpie Express Company went from its initial agreement of providing safer, faster and more comfortable stagecoach travel to a whole range of services that met or exceeded the requirements of their stakeholders. Securing the transportation of gold, establishing a telegraph service, and even providing literacy training for employees are all examples of primary focus on stakeholders.’

   Each of us has customers – internal and/or external – for everything we do. We need to create and maintain relationships with highly satisfied customers who want to do business with us.
3. Cooperation and teamwork (including partnerships)

“Encourages and recognizes teamwork as a way to bring about improvement and to build mutually beneficial partnerships through relationships with suppliers and other organizations.”

Cooperation and teamwork played an integral role in the successful growth of the Magpie Express Company. Through formal monthly meetings and informal on-the-job conversations, employees combined their skills and ideas to improve the quality of their work. This principle also extended to forming mutually beneficial relationships with Callaway's Bank and the local school board.

In both situations, it is important to note the way that they handled their relationships. Instead of viewing them merely as business arrangements, they valued these relationships, treating them like partnerships. Together with Callaway's Bank, Magpie would ensure the safety of their customers' valuables. Similarly, they would work with the local school board to improve the overall quality of education in the area.

4. Prevention based process management

“Prioritizes the implementation of preventative strategies to avoid costs associated with inspection and failure thereby making it easier for people to do a good job by eliminating error and waste.”

Processes are the way we actually deliver a product or service – in essence, how work is done. Improvement is achieved through understanding and changing these processes. In turn, understanding and improving processes helps to improve the whole system.

The Colonel's policy of prevention, which led to improving the condition of roads and constructing way stations every 25 miles between Cook's Elbow and Red Canyon, illustrates this principle. While both projects entailed an initial investment, they would ultimately improve the process of travel and transportation by providing added comfort and safety. Improving the process reduced the negative impact on customers of long stretches of unprotected travel. This ended up improving the overall quality of the service. By preventing problems from occurring, the Magpie Express Company avoided the expensive alternative of correcting them later.
5. Factual approach to decision making

“Stresses the need to make business decisions based upon measured data, rather than on the basis of instinct, authority or anecdotal data.”

The Colonel himself illustrated this principle in the matter of the telegraph. His instincts told him that the telegraph was "too impersonal" to ever be a serious threat to the future of the Magpie Express mail service. However, instead of basing his decision on his instincts, he sent Diggs out to investigate the costs and benefits of the telegraph. In the end, the facts spoke for themselves, and the Magpie Express Company set up a local telegraph service to better meet their customers' requirement for faster and cheaper communication.

6. Continuous Learning and People Involvement

“Recognizes the role of people at all levels in making a difference to quality and emphasizes the need of employees to take responsibility for work processes and the initiative to improve quality.”

Believing that everyone should have the opportunity to make a positive contribution to the organization's pursuit of excellence, the Colonel had given copies of his book, The Quintessence of Quality, to all his staff so that they could share in what he had learned. However, the book would have failed as a learning tool had Humph and Annie not taken the initiative of getting involved. Through their efforts, they were able to identify illiteracy among employees as a quality gap in the organization. They were then encouraged and supported in finding a solution to close this gap, leading to the creation of an after-work tutoring program.
7. Continuous improvement and breakthrough thinking

“Instils the attitude that improving quality through practical and innovative ways is a regular and ongoing part of doing business.”

Again, we can draw on the attitudes and efforts of Diggs, Humph and Annie. As we have seen, each sought ways to improve the service they provided, and to improve the organization as a whole. The fact that they were encouraged to find better ways of doing things and then recognized for their innovative ideas showed a company-wide commitment to continuous improvement and breakthrough thinking.

Under this principle, we should never be complacent about the quality of the products and services we provide. As soon as we meet one target, we need to set ourselves a higher one.

8. Fulfill obligations to all stakeholders and society

“Encourages going beyond the minimum standards required by law towards a positive and proactive contribution to its people, customers, partners, owners and other stakeholders including society and the community in which it operates.”

A benefit to society is a benefit to everyone, including organizations. This principle recognizes the important role that private and public sector organizations can play in improving society. The Magpie Express Company demonstrated this principle when they purchased a wilderness area to protect it from the encroaching development. Doing so was a recognition of its larger responsibilities – to help improve the quality of life for all citizens. By buying and protecting this land, the company ensured that current and future generations would have public access to a nearby natural environment.
Your Personal Quest for Quality

As we said at the beginning of this unit, adopting and practicing Quality Principles is one of the primary ways of building an ‘Excellence’ Organization.

The following Personal Quality Checklist provides a useful list of basic questions you can ask yourself to measure how well you’re doing under each of Excellence Canada’s eight principles.

In addition to these basic questions, there are others that deal with the specific roles of People Leaders, Project Managers, Account Managers and Senior Management.

Referring back to these questions every once in a while will help you maintain direction in your personal Quest for Quality.
# Personal Quality Checklist

<table>
<thead>
<tr>
<th>Principle</th>
<th>Basic Questions</th>
<th>Additional</th>
</tr>
</thead>
</table>
| **1. Leadership Through Involvement** | • Do I seek senior management involvement and support where appropriate?  
• Do I have the passion to lead by example by taking on a leadership role when necessary?  
• Can I clearly articulate the organization’s goals to help my team succeed? | • Do I encourage my peers or direct reports to take a leadership role? |
| **2. Primary Focus on Stakeholders** | • Can I identify my stakeholders and their needs/requirements?  
• Do I ask the right questions of my stakeholders to identify their needs/requirements?  
• Do I have the resources to meet or exceed their requirements?  
• Do I know the potential barriers to meeting their requirements? | • Do I recognize that my employees are my primary stakeholders? |
| **3. Cooperation and Teamwork** | • Do I always ask others for their input or feedback?  
• Do I involve people in the decisions that affect them? | • Does everyone understand the requirements and/or the common goal? |
| **4. Prevention-based Process Management** | • Have I documented all aspects of my key processes?  
• Do I know what all the key measures of success are for my business? | • Do I encourage my staff to point out potential quality gaps in the department’s processes?  
• Do I listen to my staff and act accordingly when they “ring the alarm” on quality in the business? |
| **5. Factual Approach to Decision-making** | • Do I act upon relevant stakeholder data? | • Do I emphasize fact-based decision-making with my peers or staff? |
### Questions

<table>
<thead>
<tr>
<th>Project/Process Manager</th>
<th>Account Manager</th>
<th>Senior Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Do I demonstrate leadership by delegating effectively to my team?</td>
<td>• Am I actively involved with my clients and take the lead in further developing the relationship?</td>
<td>• Have I cascaded the department’s and my own goals to all staff? • Do I support and participate in department and company-wide events?</td>
</tr>
<tr>
<td>• Have I identified all potential stakeholder and those impacted by this project?</td>
<td>• Do I keep both the company’s and my client’s best interests in mind when making business decisions?</td>
<td>• Have I ensured that my people have the necessary resources to meet the needs of their stakeholders?</td>
</tr>
<tr>
<td>• Do we have all business units represented on the project? • Do I run effective meetings with an agenda and measurable outcomes?</td>
<td>• Do I employ a collaborative approach to resolving issues with my clients?</td>
<td>• Do I encourage my people to form cross-functional teams to solve problems and move the business forward?</td>
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<td>• Have I considered all aspects and viewpoints in creating the most effective processes? • Do I plan for the transition of ownership of new solutions at the end of my projects?</td>
<td>• Have I established key metrics with my clients and track their performance on a regular basis? • Do I act quickly when those key metrics indicate that service is falling below standard?</td>
<td>• Do I hold my people accountable for managing their processes proactively? • Do I allocate the necessary resources towards preventive rather than corrective activities?</td>
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<td>• Do I regularly collect qualitative &amp; quantitative data on my key stakeholder metrics?</td>
<td>• Do I use data from my stakeholder metrics (rather than anecdotal data) to drive improvements with my clients?</td>
<td>• Do I insist that my people present relevant facts and data when developing their plans for improvement or change?</td>
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<tr>
<td>Principle</td>
<td>Basic Questions</td>
<td>Additional</td>
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<td>------------------------------------------------</td>
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<td>6. Continuous Learning and People Involvement</td>
<td>- Do I know what my development areas are and set realistic goals to achieve?  &lt;br&gt; - Do I have a realistic development plan against which I regularly measure my progress?  &lt;br&gt; - Do I seek out learning opportunities?</td>
<td>- Do I empower my direct reports to initiate quality changes to their work processes?  &lt;br&gt; - Do I fill job openings with employees who align with the talent and energy expectations of the role?  &lt;br&gt; - Do I look for opportunities to involve people in activities that will support their professional development?</td>
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<td>7. Continuous Improvement and Breakthrough Thinking</td>
<td>- Do I take part in Quality Improvement initiatives?  &lt;br&gt; - Am I looking at creative ways to change what I do?  &lt;br&gt; - Do I use various creative techniques when problem-solving?  &lt;br&gt; - Do I look for ways to exceed my stakeholder requirements?  &lt;br&gt; - Do I think “outside the box” and have a “can do” attitude?</td>
<td>- Do I encourage my direct reports to initiate Quality Improvements in their jobs?</td>
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<td>8. Fulfil obligations to all Stakeholders and Society</td>
<td>- Do I support the business- and company-organized charity events?</td>
<td>- Do I encourage and support my direct reports to participate in charitable or community-based events?</td>
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## Questions

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<thead>
<tr>
<th>Project/Process Manager</th>
<th>Account Manager</th>
<th>Senior Management</th>
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<tbody>
<tr>
<td>• Have I applied past learning’s to my current project/process?</td>
<td>• Do I look for ways to partner with my clients for our mutual learning?</td>
<td>• Do I demonstrate that learning and development are important to my business unit by allocating the necessary resources?</td>
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<td>• Do I document lessons learned at the termination of a project?</td>
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<td>• Do I participate in Learning &amp; Development programs as a leader or facilitator?</td>
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<td>• Do I generate multiple solutions to business problems rather than simply implementing the most obvious?</td>
<td>• Do I look for new and creative ways to develop the relationships I have with my clients?</td>
<td>• Am I open to new and radical ways of doing business?</td>
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<td>• Do I encourage and expect my people to generate breakthrough ideas?</td>
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<td>• Do I meet deadlines in delivering against stakeholder requirements?</td>
<td>• Do I consider the needs of both my client and our mutual customers when making business decisions?</td>
<td>• Do I consider all stakeholders’ needs, including environmental or social impact, when making business decisions?</td>
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<td>• Do I consider all stakeholders and society when deciding which solutions to implement?</td>
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Summary

Introduction

This section provides a summary of the Quest for Quality Self-study. It starts with the epilogue from our fictitious case study, The Magpie Express Company. The epilogue marks the end of our story and the beginning of a new era for Colonel Magpie's company. Similarly, this summary marks the end of our self-study and the beginning of your own personal Quest for Quality. The Focus section sums up how organizations and individuals can grow and evolve by practicing the quality concepts and principles described in this self-study.

Objectives

By the end of this summary, you'll be able to:

- Appreciate the importance of achieving quality both on an organizational and personal level.
- Implement strategies for starting your personal Quest for Quality.
- Recognize and understand the main concepts and principles of quality covered in this self-study.
The sun set warmly on the passing of Colonel Magpie. Protocols reserved for the death of dignitaries were followed in earnest. At Meadow Creek, flags flew at half-staff and a procession of hundreds made its way down Main Street alongside the Colonel's coffin. The Colonel's command gave way to a board of directors on which both Annie and Diggs sat. Humph was promoted several times and finally retired as Regional Director of Transportation Services.

Business at the Magpie Express Company changed dramatically over the years. There were mergers, economic depressions, new competition and customer needs that were constantly changing. But throughout these challenges, the principles of quality that the Colonel and his employees founded, lived on. The success and longevity of the business are a testament to the virtue of these principles and to the importance of a continual quest for quality.
Focus: Summary

Before concluding, let's do a quick review of how we can achieve quality both on a personal and an organizational level. Then we will look at suggestions for beginning your personal Quest for Quality.

The Importance of Quality (revisited)

In the case of the Magpie Express Company, establishing quality practices and developing a quality mindset, provided the company with the resilience, creativity and adaptability it needed to grow and evolve. A commitment to quality provides the same benefits to every organization, whatever its sector or size. But we mustn't forget that achieving quality is a never-ending journey. It's up to all of us to find new ways to manage and improve quality in our workplace.

Has your organization begun its quest for quality? If so, where is it in the journey? What role can you play?

How To Achieve Quality – Summary

As we’ve seen, achieving Quality is as much about the process as it is about the outcome.

a) To improve quality, we need to be able to measure it. And in order to measure it, we need to be able to define it. What is your organization's definition of quality?

b) If your organization is not achieving its definition of quality, then there is a quality gap, or gaps, in the organization's processes.

c) There are different costs associated with closing quality gaps: prevention, inspection and failure. Of the three, prevention is the most cost-efficient because it stops problems from occurring in the first place. Correcting problems is the cost of failure and can be extremely expensive.

d) By focusing on quality practices like prevention, you can reduce the costs incurred from inspection and failure and thereby become more efficient and profitable. Doing so leads to greater personal satisfaction as well. Instead of running around putting out fires, your time can be spent on doing your job well and becoming creative and innovative.

e) To achieve quality, effort is focused on three levels: organizational, personal, and project-by-project.

f) Many public and private sector organizations have adopted Excellence Canada’s Canadian Framework for Excellence. The framework sets out in six categories a number of practices that we should carry out in order to help us achieve Excellence. Following these practices sets off of a chain reaction of benefits that improve our overall organizational performance.
g) Implementation of the Canadian Framework for Excellence using PEP is the path that many organizations choose. The entire Framework for Excellence can sometimes be overwhelming for organizations. PEP gives you a clear 4 level roadmap to implement Excellence into your organization in chewable and doable steps with recognition every step of the way.

h) Eight Principles of Quality form the foundation for decision-making within Excellence Canada’s Framework. They are applied both at an organizational level (through policies) and at the personal level (through behaviours and attitudes). Applying these principles creates a quality culture, which is a primary step to creating an ‘Excellence’ Organization.

Beginning Your Personal Quest for Quality

You can start right now by using any number of techniques in your workplace:

- Take ownership when you see a problem with quality and bring it to the attention of others.

- Look for ways to reduce inspection and failure by increasing prevention.

- If you come up with your own quality ideas, does your organization have a program that allows you to share them with others? If such a program exists, participate! If it doesn't, could you suggest starting one?

Learn More About Quality

Excellence Canada offers additional training for your journey toward excellence. To find out more, contact Excellence Canada. A full listing of tools and training is available at www.excellence.ca

Congratulations and Thank You!

Congratulations! You have come to the end of the Quest for Quality Self-study.

Certification – Take the Quiz

Those continuing on with Module 2 and 3 of the Quest for Quality Training course please visit: http://surveys.excellencecan.ca/s3/qfq-m1-quiz to complete your Module 1 quiz. This quiz is a requirement of the quest for quality program.