The quality process must be seen clearly in order for it to work effectively.

Many business leaders today understand the connection of process quality and business improvement. There are also many, however, who view quality as merely a form of risk management and who do not apply quality tools and personnel to business improvement initiatives.

We should care about this view because rapid improvement is essential to remain competitive and ensure a stable and sustainable business environment. Because of the easy international movement of work across borders we face three issues:

1. While the cash flow for single businesses may improve with the transfer of labor to another country, economic dislocations and cost to the overall society are not borne by the individual firm.
2. Political instability and associated risks to an extended supply chain are often ignored or denied, with business leaders hoping that political leaders will protect them from disruption. This is not assured.
3. We have all seen evidence of major mistakes made by business leaders in the last decade. These problems have often required government action to prevent economic disruption. The prevention of major economic disruption is laudable, but public funding of business mistakes cannot continue at the pace we have seen. There is simply not enough tax revenue.

Quality tools are about working smarter, and working smarter is the best way to achieve breakthroughs in efficiency and competitiveness. Proper application of quality tools is the best method to reach breakthroughs in competitiveness without raising the deeper risks of outsourcing. This is good advice that has been touted for decades. Why isn’t the advice being applied?

Beliefs drive our understanding and reactions to the world around us. A belief (or myth) can help or hurt our decision making. To make faster progress, leaders need to identify and address myths that are beliefs based on false or inaccurate information.

“Blurred Vision,” an article I wrote for the July 2008 issue of ASQ Quality Progress magazine, identified eight myths that get in the way of understanding quality’s role in business improvement. Anecdotal evidence from many quality consultants and quality control specialists in a wide variety of industries shows that the majority of business leaders believe in some of these myths. The eight myths are presented here with a look at what may be misleading or false in each and what can be done to improve understanding.

**Myth 1: Quality is strictly about product or service issues**

Quality products are important, but to say that quality is limited to only products or services is just wrong. If you want to offer your organization’s great products consistently and at the best cost and avoid being overrun by competition, you really do need organizational excellence. But what does that mean?

The statement by quality guru W. Edwards Deming, “It is not necessary to change. Survival is not mandatory” is as true as ever. What is really at stake here is not a just striving for excellence but survival. With companies around the world doing what the United States used to be uniquely good at—taking leadership in many areas of applied technology and business—survival for any firm is less assured than ever.

Organizational excellence in the United States is promoted by various state and national quality awards. You don’t need to pursue an award to understand that these concepts outline what it takes to succeed. (You may download a free booklet that describes more about the core values and concepts from [http://www.quality.nist.gov/Criteria.htm](http://www.quality.nist.gov/Criteria.htm).)

Your products and services will come and go, but improving the business process is how you build value that lasts. System-wide, comprehensive improvement is not easy and adoption of these core values and concepts does not guarantee success. The ‘free’ market has destroyed and will continue to destroy long established organizations. There is no perfect shield against business failure, nor is there a magic bullet for business transformation. Applying these core values and concepts will increase the probability of success.

**Myth 2: Quality is only about controlling risk**

This myth is not that good product quality controls risk (it does) but that many think that is all it does. Quality tools provide so much more than just risk management. Consider this: a carefully constructed product quality control program can reduce risk...
of quality defects with inspection, but no
inspection program is perfect. A strong in-
spection program will be costly, and when
the inevitable defects are passed (as always
happens with inspection) your customer
will be dissatisfied.

If your competition is getting better, or
is about to become better, or a new com-
petitor is entering the market, you are go-
ing to need real process control, not more
inspection. You will need to develop a pro-
cess that does not produce failures. This is
where Six Sigma, Lean, statistical process
control, and the many other quality tools
really shine.

Myth 3: Cost of quality programs are
old school

According to this myth, measuring
quality costs is an old concept no longer
important. Fifty years old and known by
various names—cost of quality, cost of
poor quality, cost of poor execution, cost of
conformance and nonconformance—many
leaders feel there is little to be learned by
applying this concept.

If quality is only about managing risk,
you really don’t want to track return on
investment. Who considers the return on
their insurance policy premiums? Quality
control limited to risk management is like
an insurance policy: your objective is to
keep the premiums as low as possible and
insure only what you need to insure.

To apply quality tools and methods that
make your organization run like the pro-
verbial Swiss watch, you need to use cost
of quality as the key measure of all your
improvement activities. This metric draws
the connection between the prevention ex-
penses and the costs of your mistakes, giv-
ing focus to improvement activities.

Myth 4: Quality is a discipline
learned on the job, not in a
classroom

Future business leaders need to learn
quality tools and approaches from their
master’s level courses. Without teaching
the quality body of knowledge, most of
our future leaders will remain unschooled
in what the quality tools can do for them,
and unaware of the value that trained qual-
ity professionals can contribute to business
improvement.

Myth 5: Six Sigma and Lean are
great new tools

This myth speaks to use of tools. Six
Sigma and Lean are great tool sets that
use compilations of older proven tools, ap-
pied in better ways. Lean was created from
Toyota’s rethinking of Henry Ford’s mass
production process. Most of the tenets of
Lean are industrial engineering techniques,
to be applied by the normal production
staff. Lean is industrial engineering for the
masses, incorporating these tools from the
existing body of knowledge for industrial
engineering. Rewritten and used directly
by workers, the implementation rate is
much greater than when relying on a few
engineers to apply the tools.

Six Sigma is quality engineering applied
in a matrix of command and control than
emphasizes project planning and manage-
ment. Six Sigma is a powerful tool, but
efforts can be wasted by working on pro-
cesses that lack data, failing to use the Six
Sigma command and control structure, and
emphasizing statistical controls for pro-
cesses that have significant special cause
problems.

Certified quality professionals possess
the knowledge to apply these tools ef-
fectively. Widely deployed improvements
need to be applied by trained teams, with
leaders that understand the tools well.

Myth 6: Choosing a quality approach
is a task for senior leaders

Most senior leaders identify a quality
approach? They will make the final deci-
sions. What senior leaders may lack is an
intimate knowledge of detailed business
processes. The solution here is to make
sure there is a robust upward communica-
tion flow within the organization.

Upward communication is difficult
to sustain. Older leaders may view it as a
distraction; new leaders as a threat. Tight
command and control can stifle upward
communication. Regular, thorough reviews
of the processes of upward communication
are needed to keep vital information flow-
ing upward.

Myth 7: No preparation is required
to run an improvement program
except willpower

When improvement approaches go
wrong, it is often due to the idea that will-
power will overcome poor preparation.
Many firms skip good preparation, seek-
ning quick results and fast action. It’s not the
fast action that’s in question; rather, it’s the
confusion of action with progress.

Understanding current root problems,
looking at data, planning, training, com-
munication are all part of preparation that
can make fixing a problem or making an
improvement change quick and straight-
forward. Lack of good preparation often
results in fixing symptoms or addressing
the wrong issues.

Costs are a second excuse to skip good
preparation. Training is expensive, and the
better the training, the more it costs. You
can buy a business help book, skim it, try
to apply what it tells you, and even succeed
some of the time. Getting a group to all
understand the same ideas and commit to
working together as a team does not hap-
pen in a book. Good preparation can take
weeks to months, and there will be little
short term return for the investment in
preparation.

Myth 8: Cost, quality and schedule
form an iron triangle

This myth says improvements in these
three areas are mutually exclusive. To im-
prove any one, you will hurt one or both
of the others. For example, to make a ship-
ment on schedule, either product quality is
sacrificed to speed up the process, or sig-
nificant labor additions (higher cost) are
needed.

If quality is seen as risk management,
the above example seems intuitive. It is
not true if the focus of quality is on both
process and product. If the quality of a pro-
cess is improved, it will run faster, produce
fewer defects and cost less. In other words,
process quality underlies both service and
cost.

Survey

Evaluation of the myths that we all use
to process our view of the world is some-
times needed to make forward progress.
With some effort, we can avoid the limita-
tions that these myths place on our drive
toward improvement. And be sure to take
the survey on “8 Quality Myths” at www.
dcwoodconsulting.com. Register your e-
mail at the survey to receive study results.

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