

Goals and Revenue

BY LEE PIELAET

Using your long-term company goals can reclaim revenues lost to inefficiency.

ONE OF THE MOST BENEFICIAL THINGS about a company implementing a quality management system (QMS) is that it facilitates continual improvement, partly because it requires setting goals. Although using goals is an important part of any improvement effort, how to come up with appropriate goals is widely misunderstood. I have heard a wide-range of reasons for not taking the time and energy to establish and meet goals, but doing so is one of the best ways to continually push your company toward improving. Plus, it may not be as complex to create or daunting to establish as you first think.

Here is a simple example of how a goal could work: if top management demands the floors in the shop must be clean every Friday, then they will be. Why? Simply because the workforce knows management is watching. When management communicates its goals to the workforce, the same response can be expected. Of course, goals have the possibility of being set too high, like demanding zero defects or that everything must be perfect—so setting unrealistic goals most likely will render management's attempts useless, and workers most likely will not have the opportunity to celebrate in the achievement of such goals.

Below are two examples of situations I repeatedly see on my audits that illustrate how effective goals can be developed.

- ▶ Most paint contracts require a thickness of a specific mil range. While auditing one company, I found that paint was being applied at an average of 6 mil dry film thickness (DFT), whereas the contract requirements were between 3 to 6 mils. When I asked company

managers how they would feel about not having to buy paint next year, they thought this was a great idea but wondered how it could be done. The goal here is obvious: Try to apply the minimum required mils per the specification.

- ▶ Operator training is critical with an automatic airless shot or grit blasting machine because efficiency can be lost very easily. This type of equipment naturally degrades over time and has a limited life without having to be reworked. A simple drop of 3 amps on 15 hp motor, let's say from 20 amps to 17 amps, can cause a 25% decrease in efficiency. This means a piece may need to be processed twice or at a slower speed to achieve the desired result. Companies would not want their employees working 25% less efficiently, so why would they expect less from equipment that cost hundreds of thousands of dollars? When you consider that a well-trained operator can get 50% to 100% more production in the lifetime of the machine before reworking starts, it becomes clear that training is a good idea. Personnel who understand how to tune up this type of blasting equipment will make it last longer and it will cost the company less to operate. One appropriate goal might be to operate at a predetermined minimum amperage.

These examples illustrate how management can drastically change the cost of fabrication through continual improvement. They also illustrate how paint and material preparation are areas with a wealth of opportunities for quality goals that if met could realize both short-term and long-term savings for your company.

Goals and Your QMS

To further dissect the above examples, the *Certification Standard for Shop Application of Complex Protective Coating Systems* in Section 5.1, Policy, includes the following considerations when setting a goal.

"The Firm shall document a minimum of one specific measurable goal related to coating application process quality." In our examples, suitable goals could be to apply the paint at the minimum required mil thickness or to see that all motors were running at 20 amps.



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“Executive management shall record and know the current level of that goal.” This could be done by creating goal records and verifying mil thickness or by having management verify the operators recorded daily amp readings.

“There shall be a plan to work to the achievement of the goal.” In both examples, this could be done by letting everyone involved know specifically what the goal is or by recording the current goal levels with those involved to reinforce their importance.

Getting Answers From Outside

The whole process of setting and meeting realistic goals can begin with a simple field trip to the shop using a basic interview approach to finding goals. For example, ask your saw operator, “If there is one reoccurring problem you have which could be eliminated, what would it be?” Most workers do not want to admit that they have any problems; since they believe it will reflect poorly on their performance. Think about yourself in an entry-level job when the boss comes by and says, “How is it going?” If you are like most of us, you will only respond in a positive way, so be sure to challenge yourself as an auditor and be creative in your questions to ensure an honest response.

With regard to saw operations, a common situation is that every two or three days when a blade starts to wear, the cuts start going out of square. Most operators do not have the authority to contact the manufacturer and ask if other saw owners have the same problem. Very likely, the saw manufacturer may have found that a roller guide may need adjusting or some other fix to improve the overall saw quality. In this case, the search for relevant goals revealed an area for improvement (a mini-goal you could call it). How many of these are lurking within your company?

There is no better time than now to challenge yourself and your management in order to find areas for improvement and set goals that will have a positive effect on your company. Staying competitive in this low market is a challenge for most fabricators and erectors, so setting realistic and obtainable goals will help you achieve this challenge—and increase your overall revenue at the same time.

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