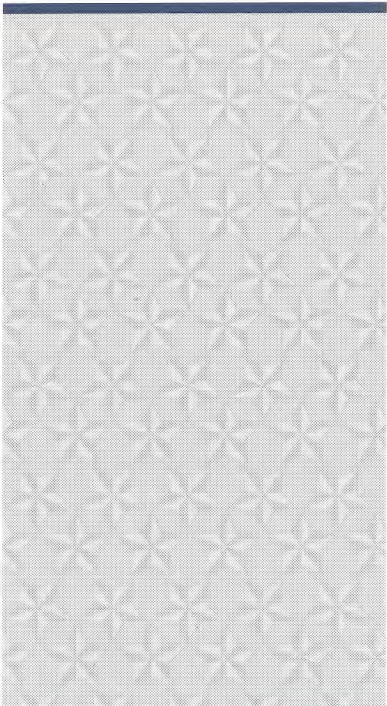


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TEXAS DEPARTMENT OF COMMERCE

Quality is a means of survival. As dramatic as this sounds, U.S. companies are adopting Total Quality Management concepts to remain competitive in today's marketplace. Competition from abroad has driven many U.S. companies to develop quality systems in hopes of better meeting customer needs and retaining market share. The Texas Department of Commerce Quality Texas Office was created to encourage Texas companies to implement quality systems in order to enhance their competitiveness in the national and global marketplaces.

What is Total Quality Management?

TQM is a management philosophy combined with a system of processes that, when implemented, will bring about continuous improvement, satisfied customers and total employee involvement. TQM requires leadership commitment, team-building, training, systematic problem solving and the development of statistical tools to monitor the variation and progress in the system. Total Quality Management is not a "program," so it doesn't have an end point or time when it is considered "completed." Instead, it is an ongoing journey.

The Quality Texas “Investment for Survival” seminar provides a detailed introduction To total Quality Management concepts.

What is a Quality System?

A Quality System is the entire strategic operation and quality implementation plan of an organization through which low cost, high quality products and services are produced to meet customer requirements.

Quality Texas Background

Quality Texas was implemented at the request of Governor Ann Richards to address the critical needs Texas businesses are facing to remain profitable and competitive in the global marketplace. The program was designed by a community of quality experts from across Texas representing the business, government and education sectors.

The need for small and medium-sized businesses to adopt quality systems has become increasingly evident as large corporations move toward single source suppliers who can provide the highest quality parts and services with not only the lowest costs, but also the lowest number of defects per million and lowest cycle times. These preferred suppliers often comprise only

5 percent of those previously considered as acceptable vendors.

Most large corporations that have adopted TQM certify only those suppliers verify proven in-house quality systems. In particular, European customers often require that vendors have quality systems certified under the International Standards Organization 9000 Series Rules.

It is the goal of Quality Texas to assist Texas suppliers in meeting these new quality standards, thereby retaining their positions on preferred vendor lists and remaining a viable part of the Texas economic base.

Quality Texas Elements

Quality Texas consists of two program elements administered through the Texas Marketplace program of the Business Development Division at the Texas Department of Commerce.

They are:

- Awareness Seminars, and
- Information Resources

Seminars

Businesses and organizations interested in broadening their understanding of TQM concepts are the targets of Quality Texas seminars statewide. Presented on a regional basis, two levels of awareness seminars are coordinated by Quality Texas.

Several companies in Texas that are known for their quality systems provide volunteers to instruct "Investment for Survival" seminars.

Level one is a six-hour session in which participants learn introductory concepts, background, philosophy and basic process analysis tools of TQM. The course is titled "Investment for Survival," illustrating that, indeed, quality is necessary for survival due to increasing competition and decreasing capital.

The second level, currently in the planning stages, builds on the basic awareness of TQM and focuses on preparing an organization's management for long-term TQM training services. Information on how to select a provider of quality system training will be included in this session.

The mission of these seminars is to raise the awareness of total quality concepts and assist management in integrating organizational TQM initiatives.

Curriculum Design Team. To develop the awareness seminars curriculum, Quality Texas called upon experts from business, government and education sectors. Our team consisted of representation from IBM, Dell Computers, American Productivity and Quality Center, Texas A&M University, Houston Community College System, University of Texas at Austin, Texas

State Technical College, IRS/Austin and the Texas Department of Commerce. Sub-sets of this group generated the curriculum, the pilot sessions, and the plan for long-term seminar delivery.

Corporate Instructor Team. Several companies in Texas provide the instruction for our awareness seminars on a volunteer basis. These professional quality trainers commit to teach four seminars over a 12 month period. Instructors must meet certain requirements to participate, and all are given an orientation on the Quality Texas program and curriculum before they are scheduled to instruct . If your organization is interested in providing an instructor, please contact Quality Texas for more information. The companies currently participating on our Corporate Instructor Team are as follows:

Bechtel Corporation • Boeing Aerospace • CAE-Link •
Dow Chemical • Eastman Chemicals • EDS • General
Dynamics • Halliburton • Hart Graphics • Houston Lighting
& Power Company • IBM • Engineering Group, Inc. • Loral
Space Information Systems • Lyondell Petrochemical •
Mitre Corporation • NASA • PRC, Inc. • Rockwell Space
Operations Company • Shell Oil Company • Southwestern
Bell Yellow Pages • Tel-Tex • Texas Instruments • Texas
Process Equipment Company • Union Carbide Chemicals
& Plastics • USAA • ViaNet

Quality Texas will be reinforced by the annual Texas Quality Award, which will recognize outstanding quality achievements in business, government and education.

Information Resources

The second element of Quality Texas is the Information Resource Center, which will consist of a database of resources and information on education and training opportunities in Total Quality Management. TQM seminars and regular curriculum provided on a regional basis will be included.

Quality Texas Objectives

- Develop and implement the Quality Texas program to ensure the support and endorsement of the media, business, industry, trade, education and government sectors.
- Establish a primary and secondary level training program targeted for small and medium-sized organizations, resulting in broad adoption of quality management training systems.
- Create a regional delivery system of Quality Texas services for optimum access to small organizations.
- Create a database of resource support material accessible on a local basis.
- Cooperate with the Texas Quality Award Foundation to establish the Texas Quality Award as the recognition

element for quality in Texas.

- Continuously improve Quality Texas to meet the needs of Texas businesses and organizations.
- Track the success of program participants who fully integrate Total Quality Management systems in their organizations as a result of Quality Texas support.
- Continuously network and benchmark with other state, national and international quality organizations.

The Texas Quality Award

The Quality Texas Program will be reinforced by the annual Texas Quality Award, which will recognize Texas organizations that demonstrate outstanding achievements in integrating and applying total quality concepts. The award will be given to small and large businesses, governmental and educational organizations.

The Texas Quality Award will set high standards of quality for Texas, much like those established by the Malcolm Baldrige National Quality Award. In fact, criteria and processes of the award are patterned after the Baldrige Award. The award program is administered by the Texas Quality Foundation and is overseen by a board of directors and an executive staff, separate from, but in cooperation with, the Texas Department of Commerce. For more information on the Texas Quality Award, call the American Productivity and Quality Center in Houston at 713/685-4657.

Quality really works! Quality Texas proudly highlights success stories in quality from the City of Austin, Plantation Foods of Waco and Trane Corporation of Tyler.

Success Stories

City of Austin

Prior to spring of 1991, if you were one of the 500-700 clients who requested electric utility service each month to a mobile home or a business, you would have to wait three to seven working days for three Austin City departments to coordinate their activities before your power was activated. After six months of process analysis using flow-charting, brainstorming, data-collection, pareto, and cause-and-effect diagramming (tools for total quality management), the quality improvement team reduced the process from 35 steps to 20 steps and reduced total response time from up to seven working days, to one or two. In addition, inspectors are now allowed to turn on the power rather than wait for the utility department to dispatch a crew. Power is immediately provided once the inspector has approved the safety of the wiring. This process also eliminated delays of up to two days and some 400 extra trips per month; saving approximately \$12,000 in that time period. Valid complaints from customers have been reduced from one per day to one per month.

Plantation Turkey Meat Products - Waco, Texas

Plantation Foods combined the efforts of two departments for successful teamwork, communication and corrective action to increase production of deboned turkey meat by 52 percent. This dramatic increase in output was achieved by identifying, measuring and correcting factors that were slowing down production. In addition, extra cooling systems and a larger motor were added and purification systems were improved. The 2,400 pound-per-hour increase in production generates an annual increase of \$576,000 in revenue based on a 32-hour work week. Resulting profits directly benefit employees, as a portion of profits are related to the Quality Improvement Process and are donated to the company's profit-sharing plan.

The Trane Company - Tyler, Texas

The Trane plant in Tyler manufactures air-conditioning and heat pumps for the highly competitive residential air-conditioning market. During the early to mid 1980s, Trane went through several ownership changes and lost market share. In 1989, Trane embarked on a world-class manufacturing strategy that encompassed Total Quality Management, Just-In-Time and Employee Involvement. Trane emphasized employee ownership of quality and empowerment of employees to promote continuous improvement. End-of-the-line assembly inspectors were eliminated,

*Quality Texas can be the beginning
of your quality journey. Don't miss
"Investment for Survival." Send in the card
on the back page for more information.*

and line operators assumed responsibility for quality assurance and quality verification. Method sheets were amended to incorporate Total Quality Check work elements and quality verification elements to ensure that quality defects were not passed down the assembly line and on to the customer. Both internal and external quality costs were reduced 25 percent (more than \$3 million) in two years. By 1991, Trane had 75 factory teams encompassing 1,100 employees actively involved in business solutions. Trane will now extend the customer-focused team activity to all office workers. Through TQM processes and total employee involvement, Trane has regained market share and has strengthened its position as the industry quality leader.



Notes



TEXAS DEPARTMENT OF COMMERCE
QUALITY TEXAS OFFICE
POST OFFICE BOX 12728
AUSTIN, TX 78711-2728
512/320-9605
TDD: 512/320-9698
FAX: 512/320-9500
RELAY TEXAS: 800/735-2988

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For more information...

Please complete and return to the Quality Texas Office:

- I'd like more seminar information.
- I want be added to your mailing list.
- Send me Texas Quality Award information.

Name: _____

Title: _____

Organization: _____

Address: _____

Phone: _____

Fax: _____

Comments or Questions:





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