

## **Chapter 45**

### **Quality**

#### **1. What is quality?**

: Features of a product that allow it to satisfy customers' needs.

#### **2. The importance of quality**

2.1 Increased competition has forced firms to improve quality. Consumers do not need to buy products from businesses that fail to deliver quality.

2.2 Government legislation designed to protect consumers has forced firms to improve quality.

2.3 Poor quality in production can harm a business's reputation.

#### **3. Traditional quality control**

**Quality control** : making sure that the quality of a product meets specified quality standards. Their objectives might have been to make sure that products

- Satisfy consumers' needs
- Operate in the way they should
- Can be produced cost effectively
- Can be repaired easily
- Meet safety standards set down by legislation and independent bodies

#### **3.1 Total quality management (TQM)**

: managerial approach that focuses on quality and aims to improve the effectiveness, flexibility and competitiveness of the business.

#### **3.2 Quality assurance**

: Working methods that take into account customers's wants when standardising quality- it often involves guaranteeing that quality standards are met.

: Quality assurance also takes into account customers' views in the production process.

#### **4. Total quality management (TQM)**

##### **What are features of TQM?**

- **Quality chains** : Every worker in a business is like a link in a chain and every worker is both a customer and a supplier. This avoid faulty products ever being made.
- **Everyone is involved.** : Every department, activity and worker is organised to take into account quality at all times.
- **Quality audits** : Statistical data is used to monitor quality standards. These checks or audits aim to reduce variations.
- **Teamwork** : TQM stresses that teamwork is the most effective way of solving problems.
- **Customer focused** : Firms using TQM are committed to their customers. They respond to changes in people's needs and expectations.
- **Zero defects** : Many quality systems have a zero defect policy.

#### **5. Quality standards**

: Business can earn a reputation for quality by following a code of practice or gaining quality awards.

: For example - British Standards Institution (BSI)

#### **6. Quality and competitive advantage**

: Businesses that produce high-quality products may gain a competitive edge in the market. Some businesses have a reputation for producing high-quality products all over the world.

: Unique selling point (USP) feature of a product that no other similar products have, used in advertising to try to persuade people to buy it.