Chapter IV

Quality Management and Customer Service

This chapter provides a brief overview of a lengthy aspect of the supply chain — that of quality. After defining quality and the costs of failure, methods of getting it right such as ISO 9000, ISO 4000, quality management, and efficient consumer response, are covered. Quality is an essential ingredient of the supply chain.

Defining Quality

The reputation attached to an organisation for the quality of its products and services is accepted as a key to its success and to the future of its employees. To prosper in today’s economic climate, any organisation and its suppliers must be dedicated to never-ending improvement and more efficient ways to obtain products or services that consistently meet customers’ needs must constantly be sought. The consumer is no longer required to make a choice between price and quality, and competitiveness in quality is not only central to profitability but is
crucial to business survival. In today’s tough and challenging business environment, the development and implementation of a comprehensive quality policy is not merely desirable — it is essential. Quality is often used to signify “excellence” of a product or services — we talk about “Rolls-Royce quality” and “top quality.” In some engineering companies, the word may be used to indicate that a piece of metal confirms to certain physical dimension characteristics, often set down in the form of a particularly “tight” specification. If we define quality in way which is useful in its management, then we must recognise the need to include in the assessment of quality, the true requirements of the “customer.” Quality is simply meeting the customer’s requirements; this has been expressed in many ways by others:

- “fitness for purpose or use”
- “the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs”
- “the total composite product and service characteristics of marketing, engineering, manufacture, and maintenance through which the product and service in use will meet the expectation by the customer”

Reliability is another word that we should define properly. “Why do you buy a Volkswagen car?” “Quality and reliability” comes back the answer. The two terms are used synonymously, often in a totally confused way. Clearly, part of the acceptability of a product or service will depend on its ability to function satisfactorily over a period of time, and this aspect of performance is given the name “reliability.” It is the ability of the product or service to continue to meet the customer’s requirements. Reliability ranks with quality in importance, since it is a key factor in many purchasing decisions where alternatives are being considered. Many of the general management issues relate to achieving product or service quality are also applicable to reliability. Quality requires that both the needs of the customer and his/her perceived needs are explored. Frequently, a choice of product or service is made upon apparently irrational grounds; identical offerings, presented in different ways, will sell in vastly different quantities, and will have different qualities ascribed to them. The detergent that sells better in a blue box than a red one, the bank account that has a higher status because of the leather chequebook wallet, are well known. Similarly, a quality judgement is often related to the price paid without any regard to the discernible properties being purchased. The reasons for a purchase may be difficult to identify, yet their reality must not be denied.

The quality of products and services is important not only for users but also for suppliers. For manufacturers, quality deficiencies result in additional costs for
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