Quality Management

By: Kyle Richardson, Andrew Ricci & TJ Murphy
What you will Learn

• What is Quality?
• Quality at 3 Companies
  – The Ritz-Carlton
  – Arnold Palmer Hospital
  – Frito-Lay
• Compare and Contrast
Quality Explained

• Definition:
  – Quality is the ongoing process of building and sustaining relationships by assessing, anticipating, and fulfilling stated and implied needs.
    – qualitydigest.com

• Attributes that Quality Achieves:
  – Quality supports Dependability
  – Dependability supports Speed
  – Speed supports Flexibility
  – Flexibility supports Costs
The Ritz-Carlton

• History/ Background
  – Est. in 1983
  – 72 Hotels in 24 Countries
  – 38,000 Employees

• The Credo
  – Care and comfort of our guests is our highest mission
  – Provide the finest personal service and facilities for our guests who will always enjoy a warm, relaxed, yet refined ambience.
  – Ritz Carlton experience enlivens the senses, instills well-being, and fulfills even the unexpected wishes and needs of our guests.
Quality at The Ritz-Carlton

• Motto
  – “We are Ladies and Gentleman serving Ladies and Gentlemen.”

• 3 Steps of Service
  1. A warm and sincere greeting. Use guest’s name.
  2. Anticipation and fulfillment of each guest’s needs.
  3. Fond farewell. Give a warm good-bye and use the guest’s name.
Recognition of Quality

• Notable Awards
  – Malcolm Baldrige National Quality Award
    • 1992 & 1999
    • Only 2-time winner
    • 1st Hotel to win
  – AAA 5 Diamond Awards in 2010
    • 27 Ritz-Carlton Hotels
  – Travel and Leisure’s 500 Greatest Hotels in the World
    • 36 Ritz-Carlton Hotels Ranked
Quality Management

• How did they get here?
  – TQM and all company Processes
    • Common processes among all Ritz-Carlton Hotels
    • In-depth look into how all work got done in the hotels
    • Improved the processes though:
      1. **Financial Changes:** Investing in new technology and capital
      2. **Moral Changes:** On-boarding, self-controlled work teams & training
  – Mr. BIV
    • Mistake Rework Breakdown, Inefficiency & Variable
    • Created complexities and breakdowns
    • Viewed how employees handled the situation and gained feedback on how to make the processes better.
Quality Management

– 4 Ways of Gathering Information on Quality
  1. Surveys
  2. Letters
  3. Employee Reports
  4. Financial Performance Measures

– Quality Evaluation
  • Daily, Weekly, Monthly & Yearly
  • Daily Quality Production Report: comment cards, guest incident action forms, department reports & defect reports
  • Tools for evaluation include prioritizing any problems and cost-benefit analysis

– Appropriate Action is Taken
Quality Management

• Challenges with Quality
  – Employee Responsibility
  – Employee Pressure and Stress
  – Self-Controlled Work Teams
  – High Expectations
  – Continuous Improvement
  – Way of Life

• Focus on TQM has Resulted in:
  – Higher Employee and Customer Satisfaction
  – Increased Productivity and Market Share
  – Increased Profitability
What is Quality in a Hospital?

- Ability of a product or service to meet customer needs
- Proper care of patients
- Communication
- Having a staff that cares
About the Hospital

• One of 5 largest woman and children hospitals in U.S.A.
• Top 10% of patient satisfaction nation wide
• 431 beds
• 2000 employees
Achieving Quality

• Size does not equal quality
• Process improvement teams
• Continuous improvement
  – Always room for improvement
  – Perfection is the goal of everyone
• Benchmarking
Improving Quality

• Each patient completes in depth survey
  – Recommend hospital to friends or family
  – Respect
  – Knowledge of staff
  – Quality of care

• Patient satisfaction is most important

• Improvements start at the bottom
Total Quality Management

- Check Sheets
- Scatter Diagrams
- Cause and Effect Diagrams
- Histograms
- Statistical Process Control
Pareto Chart

- Pareto Charts
  - Identify the few critical items
Flow Chart

- Flow Charts
  - Graphically describe a process or system
Quality is Everyone's Responsibility

• Hospital is able to respond quickly to needs of patient

• Employees can give up to $200 gift depending on severity of complaint
Recent Improvements

• Bed side call service
  – 24 hr assistance line
  – Small or large requests to improve stay
  – “Make it right” before they leave the facility
  – Have patents leave with a good impression of the facility
Medical TQM

• Tangible
  – Has successful care been received

• Process
  – Is the staff competent, reliable, and courteous

• Meet expectations
  – Was the quality of service what you expected

• Handling problems
  – Did they have a plan for dealing with poor conditions
Frito Lay Products

• Lays
• Doritos
• Tostitos
• Cheetos
• Fritos
• Sunchips
• Ruffles
• Baked
How It All Began…

• C. E. Doolin, the founder of Frito began in 1932 by purchasing a bag of corn chips in San Antonio, Texas

• He then purchased the small corn chips business that was eager to sell at the time

• Herman W. Lay, during the same year began his business in Nashville, Tennessee by selling his potato chips (Lay).

• These two guys merged not long after in the late 1950’s to put together the Frito Lay
A Healthy Earth

• Conserving energy by using the power of the sun to help make products
• Saving water by using renewable energy and recycled water
• Minimizing waste by using the waste throughout the processes
• Reducing gases in greenhouses and using renewable energy
Continuously Improving Quality

Two key ways in maintaining Quality Control:

- Total customer complaints per million bags

- Hitting the center line of Statistical Process Control (SPC charts) for measurements on oil content, moisture seasoning, salt, chip thickness, and weight
Production Line

Critical Checkpoints for Quality:

- Raw grade
- Peeling Process
- External Defects
- Checking for Foreign Matter
- Slicing: a. thickness b. variance
- Frying (moisture control)
- Seasoning
- Packaging: 1. weight control 2. sealing 3. bag appearance
Deviation and Control Chart

- X-Bar Chart - measures salt content
- Upper and Lower Control Limit (+/- 3) to ensure products are staying within the salt lines.
- Used for control limits to make sure product quality is maintained
- All Frito Lay products are sampled each half hour by grinding, weighing, filtering, and sampling for a salt content reading
- Salt samples are plotted on the chart to examine the results are within standard deviation
Frito Lay Control Chart

- Center line = 10.058
- UCL = 10.860
- LCL = 9.256
Frito Lay Experts

- Starfleet Teams
- Team at Frito Lay made to resolve ongoing issues to diagnose what is wrong
- Members are from all over
- System wide expertise
- Guidance to take steps towards the right direction
- Conversion of potatoes to finished product is one example
- Equipment modifications are made
Quality…Quality…Quality

• "We have quality controls at each of our farms to make sure our potatoes are of the highest grade"
  – Gregg Halverson, CEO, Frito Lay
Compare and Contrast

**Similarities**
- Committed Work Teams
- Continuous Improvement
- Gathering Information
- Customer’s are the Priority
- Evaluate Processes
- High Expectations

**Differences**
- Industry
- Evaluation Tools
- Handling Quality Problems
Thank You