

**MANAGEMENT PROGRAMME**

**Term-End Examination**

**June, 2011**

**MS-96 : TOTAL QUALITY MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 100*

*(Weightage 70%)*

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**Note :** (i) *There are two Sections : A and B.*

(ii) *Attempt **any three** questions from Section A which carry 20 marks each.*

(iii) *Section B is compulsory and carries 40 marks.*

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**SECTION - A**

1. (a) Differentiate between the concepts of Quality Control and Quality Assurance.  
(b) Explain the concept of 'Kaizen' and briefly discuss the techniques through which it can be given a practical shape.
2. (a) Can a firm pursue both the generic strategies of Cost Leadership and Differentiation simultaneously ? Explain with examples.  
(b) How can strategic quality goals be deployed at various levels of an organization ?

3. (a) What is "Cross-functional Management" and why is it important? What problems is it capable of resolving?
- (b) Distinguish between intrinsic and extrinsic motivation. How does/can an incentive system diminish the intrinsic motivation of people?
4. (a) How does the ISO 9001 system ensure the clarity of customer requirements?
- (b) Discuss the five steps in implementing a safety programme.
5. Briefly explain *any four* of the following.
  - (a) Different types of benchmarking in the context of quality.
  - (b) QFD and its benefits.
  - (c) Zero defects and its significance.
  - (d) Key differences between award and certification.
  - (e) Main aspects of quality system audit planning.
  - (f) Modified control limits and the conditions in which they can be used.

## SECTION - B

6. Read the following case and answer the questions at the end.

### HEWLETT -PACKARD COMPANY

Have you ever sat down with other people at your company to look for a better way to meet customers' quality needs, only to have been disappointed with the results ? The reason for your disappointment may be that one important element was missing from the equation : your customers themselves. Listening to them is what provides real insight into meeting their quality requirements.

While Hewlett-Packard Company's Northwest Integrated Circuit Division (Corvallis, OR) is in business to sell chips to other divisions inside Hewlett-Packard (HP), it also serves customers outside of HP. The problem that it faced about five years ago, however, was that many employees either didn't know who their customers were or actually believed that the customers were interfering with them as they performed their work.

Fortunately, management saw the obvious need to address these problems. "We wanted our people to become very familiar with our customers and realize that they were here to serve those customers," says Casey Collett, PhD., Total

Quality Control manager. "Our goal was to become so responsive to our customers that we would be the only supplier with which they would want to do business."

#### **A Four-Step Process**

To meet the goal, the Division launched its Total Quality Control effort in 1983. Collett says it involves four steps.

- (1) On your own, identify what you feel your major business processes are.
- (2) On your own, determine how you are being measured by your customers.
- (3) Go out and verify these two perceptions with your major customers.
- (4) Develop a program to improve these processes.

To execute these four steps, division management created a small group of TQC experts, who currently report directly to the division manager and work closely with a steering committee of top managers. TQC members have expertise in manufacturing, teaching, statistics, and group facilitation. Together, the division quality and TQC departments attack customer satisfaction and internal process improvement issues, respectively.

The Division has also created a three-point

TQC model, which has expanded to a seven-point model over the years. (See Figure 1.)

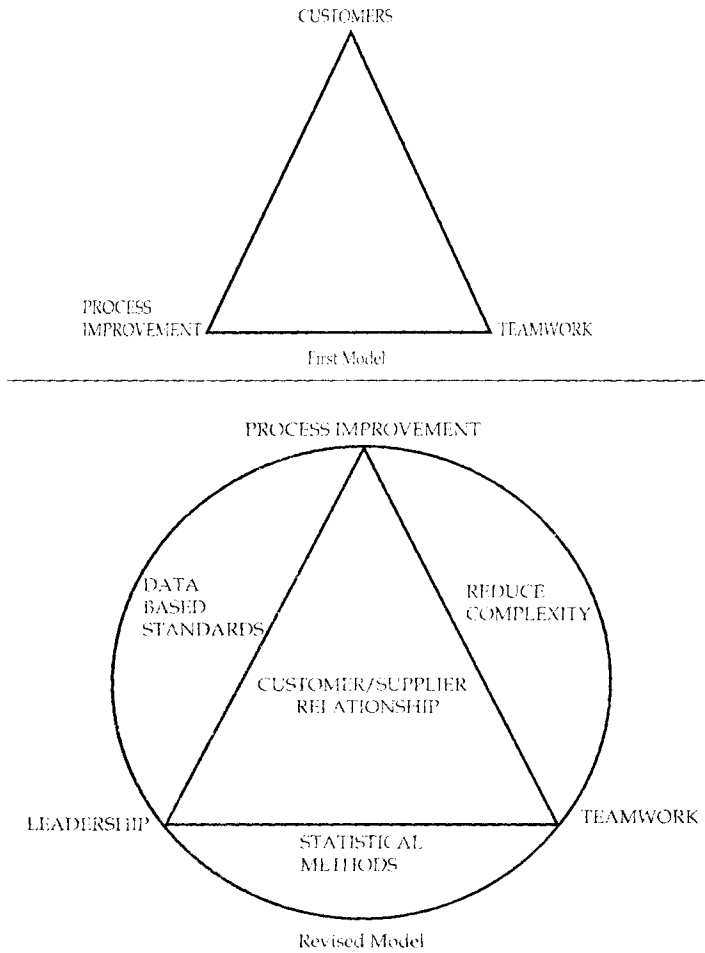
### **HP'S 10- Step Planning Process**

The key to achieving TQC from the customer's point of view at HP is a 10-step business planning process pioneered by planning expert Scott Feamster. This process requires the division to understand and analyze each of the following :

- (1) Purpose
- (2) Objectives
- (3) Customers and distribution channels
- (4) Competition
- (5) Necessary products and services
- (6) Plans for necessary products and services (research, manufacturing, financial, and marketing plans)
- (7) Financial analysis
- (8) Potential problem analysis
- (9) Recommendations
- (10) Next year's tactical plan

The 10-step business planning process, then, is a systematic way of :

- Understanding the business you're proposing to be in;
- Understanding your customers' needs;



**Figure 1** The *customer/ supplier relationship* is central to the model. *Process improvements* occur through *quality leadership and teamwork*. *Reducing complexity, setting data -based (meaningful) standards, and using appropriate statistical methods* are the tools used to achieve the process improvements.

- Understanding the market and competitive environment you're entering, and as a result of these understandings
- Making solid, well- thought - out plans to meet your objectives.

"When you have developed your strategy, you should have an objective, methodical business plan that looks at what customers need and what you are going to do about those needs," says Collett. "Then you can take this document back to the customer and verify its accuracy."

A crucial element of making the 10- step business planning process work is what John Doyle, HP executive vice president for Systems Technology, calls "imaginative understanding of users' needs" (IUUN). "IUUN is becoming an integral part of how HP does business," Collett reports, adding that the philosophy of IUUN is to hear what customers say their needs are, and apply the creativity and knowledge you have to create solutions for customers.

### **Questions**

- (a) Why is it important to understand a company's basic business processes in order to deliver customer satisfaction ? Illustrate your answer.
- (b) How do you determine customers' perceptions of your product or service ?

- (c) What are the basic differences between the first model and the revised model in Figure 1 ?
  - (d) Explain the necessity for steps 3 and 4 of Hewlett-Packard's 10-step planning process.
  - (e) How would you verify that customers are satisfied ? What key result indicators (KRI) might be used ?
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