



# Soapbox

## Quality + strategy = survival

This is definitely a turbulent, even frightening, time for businesses. Few companies saw the recession coming and even fewer can see light at the end of the tunnel. But this is not a “the sky is falling” rant. Instead, this is a loud call for a new, more invigorated role for quality. These stress-filled times need quality to engage in corporate strategy.

A key tool to help organisations prepare for possible futures is scenario planning. Companies use systems thinking to game the future, building into models both obvious and less-than-obvious factors to provoke possible outcomes. This can reduce future surprises, along with help make improved decisions. Despite being a mainstay tool of strategy for many years, isn't it surprising how many times in the last few years we've heard executives say there is no way anyone could have foreseen the changes now occurring? Just think how many leaders have turned a blind eye to those warning of dark clouds on the horizon.

So, what does this have to do with quality? Everything! Strategy is definitely not the normal focus of the quality team. Think about the typical mandates that quality is given

by leaders: eliminate defects and waste, make process changes, make us lean and cut costs. So,

quality drives the operational engine for improvement. This is great, but it is no longer enough. Present times demand extraordinary responses. And quality can help right the ship. Perhaps the greatest focus for quality at this time is on corporate strategy – putting these powerful tools and ideas to work can gain an even keel through the storms ahead.

Quality cannot help the ship from sinking if it is given a tin cup with which to bail it out. When given only an operational mandate, this is the situation quality finds itself in – hard at work but without the needed strategic involvement.

Consider a frighteningly familiar scene these days. A company is in trouble, sales are down, share prices are at an all time low. Out comes the classic executive knee-jerk reaction to tough times: “Let's downsize. It'll boost our share prices.” Plundering the workforce begins in earnest.

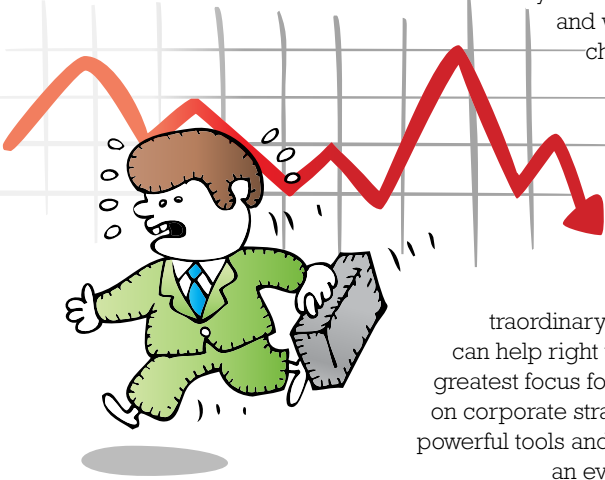
But let's imagine quality was engaged at the strategic level, bringing quality-centric thinking into scenario analysis. Suddenly, executives find themselves challenged to do cost analysis not just on short-term bumps in share price but on a wide range of costs including the just-around-the-corner costs of rehiring and retraining. Quality might even press the issue of the effects of downsizing on remaining staff, from effects on motivation to the percentage of remaining staff that will put their CVs on the market as protection against the next round. Quality would even force executives to take stock of knowledge management and customer requirements.

Executives often think they're smarter than workers and that by assuring workers this was the first and last round of downsizing, the remaining workers feel secure and thus motivated. By now, workers are unlikely to buy into these empty promises – once executives have taken the easy road of downsizing, the next cut is too often just around the corner. Quality as an ongoing participant in strategy would have forced the testing of these assumptions.

Quality can help create better options than downsizing. If scenario analysis, accompanied by a thorough vetting of all the issues, makes downsizing the right decision, then quality will have more thoroughly prepared the company for this difficult decision and aftermath. As we are arguing, quality needs to be charged with functioning at the strategic as well as the operational level. These tough times may get even worse, but once executives see that quality should be an insider to strategy, they have a better chance of emerging from the tunnel stronger rather than weaker ☹

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