



A Total Approach to Total Quality by Stephen R. Covey

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Every executive could learn some valuable lessons from Solectron, a company that won the Malcolm Baldrige Award. From my study of the Solectron Corporation, I conclude that in our efforts to improve quality, productivity, and profitability, we have to work holistically. We can't just do a quick-fix program to improve communication, for example, if we have misaligned systems. We can take people into the wilderness for two days and have them do free falls off mountains to learn trust, but if they come back to misaligned systems, all our improvement efforts are undone. We can reorganize, restructure, or reengineer the company or simply come up with a new compensation system or a new strategic plan but if we lack a foundation of trust, again our work is undone.

Solectron designed a total approach that deals with the entire package. Their high degree of employee empowerment allows them to move away from inspection toward prevention. They anticipate and prevent problems, so that quality is designed and built in from the beginning. They know that to compete and win in the international arena, they have to offer world-class products and services. And so at Solectron, quality management is not just a strategy, it is a new style of working and thinking. Their dedication to quality and excellence is more than good business; it's a way of life.

Solectron molded an extraordinarily diverse workforce into a model for global competitiveness. Their work force consists of people from cultures and countries all over the world. For many, English is a second language. This gives Solectron its greatest strength, diversity, ability to communicate and be flexible and look at things in new ways. Their people take ownership of the continuous-improvement process. They combine some of the best principles, practices, and processes from around the world. They are flexible and responsive. They take their cultural diversity and mold it into a new operating style.

And the lesson is clear: We see more success when we create an environment that empowers people to do their jobs and experience the satisfaction of accomplishment.

The Power of Principles

The power of the Malcolm Baldrige process is that it's not self-evaluation, but rather it is based on objective, external criteria and standards that put management and everyone else through their paces. Executives who just listen to themselves all the time have a hard time understanding the concept of external criteria based on timeless principles.

At Solectron, winning the award was the culmination of many years of work. The quest began in 1984 when Solectron implemented statistical process control. The Japanese kaizen system of continuous improvement was introduced in 1986 to further drive improvements. By 1987, Solectron started focusing on quality by prevention, employing new methods to consolidate quality, such as using computers to notify engineers when tolerances begin to drift.

Solectron applied for the Baldrige Award in 1989 and received examiners' input on their strengths and areas for improvement. That same year, Solectron introduced the Six Sigma program of defect reduction and again applied for the Baldrige Award. Many changes were implemented in direct response to the examination process. Solectron University, an internal departmental learning facility, was formed to provide training for workers in management skills, communications, and manufacturing excellence.

Employees are given the chance to help shape their company by participating in a company-wide communications program making suggestions on waste reduction, environmental improvement, customer satisfaction, quality improvement, and safety issues. Over 60 percent of the suggestions are implemented.

Solectron executives also use the roundtable meeting, a weekly informal luncheon between management and small groups of line employees. It's a dialogue, not just one manager dictating or one group of employees bringing up their complaints and concerns. They seek information from customers by initiating comprehensive surveys, getting feedback from customer executives consistently and frequently to keep the quality high and the costs down. They know that they can't do it alone, that it requires the participation of customers as partners to drive the costs down.

Quality is improved through three processes a quality-improvement process, corrective-action process, and a customer-complaint resolution process. These processes involve everyone. Every person in the company gets the big picture.

Solectron also adopted the Japanese "Five S" approach to cleanliness and orderliness. They see the Five S as a tool to help organize their manufacturing processes and work environment.

They started a partnership program with key suppliers and customers to tap their resources, ideas, and talents. As a result, Solectron has improved productivity, performance, and effectiveness. Defect levels declined, yields increased, and on-time delivery reached 98 percent.

Executives create openness and trust with all internal and external stakeholders by entering into strategic partnerships with employees, suppliers, owners, shareholders, distributors, and customers. They share with each other, and synergize around common problems. They also study their competitors and identify the best practices in different functions so that they have benchmarks. Improvement accelerates when performance is measured and benchmarked against the best in the world.

With a partnership, communication channels are more open; there's more trust, more focus on what needs to be done, and more opportunities to do things better, to optimize the organization, and to relate to each other.

Communication with customers begins with customer-focus teams. Each has a project manager, sales rep, project engineer, quality engineer, and customer service representative. They help customers define the project and the relationship, using a seven-step procedure. The team then meets weekly with the customer to discuss schedules, engineering changes, test results, yields, and process improvement plans.

Win-win agreements are made with all stakeholders. The win-win agreement is a clear mutual understanding based on a mutual-gain idea produced through synergistic interaction with other people. At Solectron, much communication takes place among all stakeholders.

Solectron makes it impossible to be out of touch with customers. All customer contact personnel, from the CEO on down, carry personal pagers. Customers receive customized pager numbers for the focus team members to give them control of the communication process. In addition, surveys called the "Customer Service Index" are completed weekly with all customers, evaluating Solectron in a number of areas.

Weekly they ask their customers to rate them on quality, delivery, communication, and service and then they share this information with customers. These meetings are used to not only tell Solectron where it's been, but precisely where it has to go. This process gives Solectron the vision to chart a successful course of business for the future.

They have a very de-centralized company. You can't de-centralize without empowering people and creating an environment of trust. You can't run a company from the top because the decision process takes too long. The person or team at the top can't know everything that's going on daily because the real action is between the employee and the customer.

They know that quality control can't be imposed from top to bottom; they understand that quality management must cut across departments and offices, that quality culture does not depend upon titles and job descriptions, and that they're only as strong as the intelligence, judgment, and character of their people.

What works for Solectron can work for other companies. Winning the Baldrige Award confirms the power of a principle-centered approach where quality is seen as a dynamic process, continuous, and evolutionary.