

Notes and quotes from Philip B. Crosby's book
QUALITY IS FREE
(Compiled by D. H. Groberg)

SUMMARY: This is a book about making quality certain. Crosby contends that doing the job right the first time is always cheaper than reworking, scraping, servicing defective products, etc. And because the cost of reworking, scraping, or servicing them is so high (up to 25% of gross revenues is not unusual) by installing systems that insure that things are done right the first time, the cost of quality is zero—it is free. In fact it pays great dividends.

"Quality management is a systematic way of guaranteeing that organized activities happen the way they are planned" (p. 19). It must start at the top. Crosby gives a 14 step program to implement quality improvements. He also gives case studies, histories, and a quality maturity grid and self-evaluations to be used to determine where people and organizations are presently.

PART I: THE UNDERSTANDING

Quality is free. What costs money is unquality—all of the activities resulting from not doing the job right the first time.

CHAPTER 1: MAKING QUALITY CERTAIN

This means "Getting people to do better all the worthwhile things they ought to be doing anyway" (p. 3). This is done by explaining quality in terms that it cannot be misunderstood. Crosby tells of this experience at ITT in getting top management involved, explaining what quality is to them so that they enthusiastically support it, getting into a position to influence it. His goal was to get absolutely correct requirements established that would be absolutely conformed to the first time. It describes it as a "cultural revolution."

One of his greatest challenges was to overcome what people "already knew" about quality. (That it means "goodness" or that it is "unmeasurable" or "impossible." He defines quality as "conformance to requirements." And people perform to the standards of their leaders. By working on "doing things right the first time" ITT saved \$30 million in 1968, \$157 million in 1971, \$328 million in 1973, and \$530 million in 1976. Crosby says that most companies will not be able to apply the principles of quality because their management will not be patient enough to see them through.

CHAPTER 2: "QUALITY MAY NOT BE WHAT YOU THINK IT IS."

Crosby says that quality is more like ballet than hockey--planned out, rehearsed, etc. He says that it requires unblinking dedication, patience, and time. Yet "No other action a manager can take will generate improved operations, increased profits, and reduced costs so quickly with so little effort" (p. 14.). And quality is a people thing.

Quality is not goodness, luxury, or shininess, etc. (A Pinto as well as a Cadillac can conform to its requirements and thus be a quality car.)

Quality can be measured. It is the cost of nonconformance, or of doing things wrong. Organizations typically spend 15 to 20% [or more] of their gross income on expenses resulting from not doing things right the first time. By spending effectively on prevention and appraisal activities, these costs can be reduced to 2.5% of income. Measuring and charting improvements so all can see is very important. People like to see results.

There are no economics of quality. "Can't afford to make it right" doesn't make sense. Crosby insists that it is always cheaper to do things right the first time.

Quality problems are not always originated by the workers. "They contribute a lot less problems than their white collar brethren" (p. 16). However, the workers can only contribute a little towards preventing problems because the planing and creating is done elsewhere.

Finally, quality does not originate in the quality department [or committee]. Responsibility for quality rests with those people and departments who are directly involved. If an outside group corrects problems, the group causing them will not change.

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CHAPTER 3: THE QUALITY MANAGEMENT MATURITY GRID

Here Crosby gives a family example: It is the most difficult of jobs. Those who succeed could be just by chance. Three obstacles: 1. Members brought aboard without being evaluated, tested, etc. unknown quantities. 2. Stuck with who you get. Can't toss them out, exchange, etc. 3. Family managers not trained for the job. No methods of measuring except by own experience. So....folklore exists, and transfers to work: "If you have good in your heart, you will produce quality" (p. 23). "Changing mind sets [paradigm shifts] is the hardest of management jobs. It is also where the money and opportunity lie" (p. 24).

Crosby presents a Management Maturity Grid which can be used to pinpoint where an organization is in its quest for quality. It has five (5) stages in it:

1. Uncertainty: "We don't know why we have problems with quality."
2. Awakening: "Is it absolutely necessary to always have problems with quality?"
3. Enlightenment: "Through management commitment and quality improvement we are identifying and resolving our problems."
4. Wisdom: "Defect prevention is a routine part of our operation."
5. Certainty: "We know why we do not have problems with quality."

THE QUALITY MANAGEMENT MATURITY GRID

QUALITY MANAGEMENT MATURITY GRID					
Rater _____			Unit _____		
Measurement Categories	Stage I: Uncertainty	Stage II: Awakening	Stage III: Enlightenment	Stage IV: Wisdom	Stage V: Certainty
Management understanding and attitude	No comprehension of quality as a management tool. Tend to blame quality department for "quality problems."	Recognizing that quality management may be of value but not willing to provide money or time to make it all happen.	While going through quality improvement program learn more about quality management; becoming supportive and helpful.	Participating. Understand absolutes of quality management. Recognize their personal role in continuing emphasis.	Consider quality management an essential part of company system.
Quality organization status	Quality is hidden in manufacturing or engineering departments. Inspection probably not part of organization. Emphasis on appraisal and sorting.	A stronger quality leader is appointed but main emphasis is still on appraisal and moving the product. Still part of manufacturing or other.	Quality department reports to top management, all appraisal is incorporated and manager has role in management of company.	Quality manager is an officer of company; effective status reporting and preventive action. Involved with consumer affairs and special assignments.	Quality manager on board of directors. Prevention is main concern. Quality is a thought leader.
Problem handling	Problems are fought as they occur; no resolution; inadequate definition; lots of yelling and accusations.	Teams are set up to attack major problems. Long-range solutions are not solicited.	Corrective action communication established. Problems are faced openly and resolved in an orderly way.	Problems are identified early in their development. All functions are open to suggestion and improvement.	Except in the most unusual cases, problems are prevented.
Cost of quality as % of sales	Reported: unknown Actual: 20%	Reported: 3% Actual: 18%	Reported: 8% Actual: 12%	Reported: 6.5% Actual: 8%	Reported: 2.5% Actual: 2.5%
Quality improvement actions	No organized activities. No understanding of such activities.	Trying obvious "motivational" short-range efforts.	Implementation of the 14-step program with thorough understanding and establishment of each step.	Continuing the 14-step program and starting Make Certain.	Quality improvement is a normal and continued activity.
Summation of company quality posture	"We don't know why we have problems with quality."	"Is it absolutely necessary to always have problems with quality?"	"Through management commitment and quality improvement we are identifying and resolving our problems."	"Defect prevention is a routine part of our operation."	"We know why we do not have problems with quality."

Each stage is describes by reference to management understanding and attitude, organizational status, problem handling, cost of quality, improvement actions, and summation posture (the one given above in quotes). Anyone looking at the grid can tell where their organization is.