

Quality

It continues to amaze me how many Americans accepted bad quality in the past. When I took my newly purchased Buick to the dealer one week after purchasing it, he said: “You’re lucky. We have only one repair to make.”

General Motors’ theory of wealth creation ran as follows: Produce as many cars as you can in the factory. Don’t fix them there. Send them to the dealer and let the dealer fix them. There was no thought about the cost to the customer who had to drive back to the dealer, give up the car, and pray that he or she could find alternative transportation while the car was being fixed.

Who was responsible for poor quality? Management blamed the workers. But the workers were not responsible. The great quality expert W. Edwards Deming declared: **“Management is responsible for 85% of quality problems.”**

The Japanese are sticklers for high quality. When they detect a defect, they ask the five Why’s. “Why was there a tear in the leather seat?” “Why was the leather not inspected when it arrived in our factory?” “Why didn’t the supplier detect the tear before sending the leather to us?” “Why is the supplier’s machine lacking a laser reader?” “Why is the supplier not buying better equipment?” These

148 Marketing Insights from A to Z

questions aim to get at the root cause of a defect so that it won't happen again.

How high should the quality be? In making computer chips, Motorola aims for a six sigma quality level so that there will be no more than three or four defects per million chips. This is much higher quality than is needed if the chips are used in cheap radios; and this is lower than one would want in chips guiding 747s. The right quality level depends on the customer and the product.

Brendan Power, motivational speaker, says: **“Our customers set our quality standards. Our job is to meet them.”** Peter Drucker also sees quality coming from the customer: **“Quality in a service or product is not what you put into it. It is what the client or customer gets out of it.”** Electronics giant Siemens has the quality motto: **“Quality is when our customers come back and our products don't.”**

GE's Jack Welch ably summed up the importance of quality: **“Quality is our best assurance of customer allegiance, our strongest defense against foreign competition, and the only path to sustained growth and earnings.”**

The lesson: Cheap quality is expensive; good quality is cheap.