

CASE 7 : QUALITY AT QUALITY FOUNDRY Quality Foundry was established in the mid 1960s in a 300 square metre building with 10 people as a small family business to produce castings. Under Ravikumar's direction, Quality Foundry made some substantial improvements in the quality of castings, particularly reducing scrap and reject rates. In the 1980s as business grew, the company expanded its facilities and its capability to develop its own tooling patterns and eventually moved into a 4000 square metre building. As we are in a low-growth, mature market and the standards for competitive levels of quality and service are becoming more demanding, we must develop a strategy to improve quality and responsiveness in all areas of the company in order to improve our return on investment. We need to change thinking throughout the organisation to get employees involved, to encourage team work, to develop a more flexible workforce and adaptable organisation. Ravikumar worked closely with the factory workers directly responsible for the products, asking them what they needed to get the job done and ensuring management commitment to provide the necessary resources. Quality Foundry invested in new control equipments for furnaces to control temperatures with digital read out. This will improve the quality of our products, enhance our productivity and elevate our service and response level to our customers. Five years later, the chief executive officer (CEO) of Quality Foundry retired and the General Manager of a manufacturing company was appointed as the new CEO. Consequently he set up a new task for senior management (including Ravikumar) to develop a new strategic vision. In 1990, Quality Foundry made a commitment to quality by hiring a quality assurance manager Ravikumar. The first thing he did was to work with top management to develop a mission statement which reads as below: Our mission at Quality Foundry is to improve the return on investment. We can achieve this by changing attitudes and incorporating a quality/team environment. We need to have all employees recognise the importance of product quality and service and move toward more favourable pricing. He also firmly believed in Deming's philosophy. Over this time period from 1960s to 1980s, the foundry industry declined from more than 1200 companies to about 400. With such a shrinking market, Quality Foundry began to listen more to its customers. They discovered that customers were not happy with the quality of the products supplied by them. This helped the workers to adjust the process as needed. The success of this project led the company to empower employees to control many other aspects of the system. Ravikumar felt that the top management was committed to quality and saw an opportunity to change the company's culture. We need to instill pride in the work place and the product. The new CEO felt that mission statement did not provide a clear direction.