



QUALITY

Quality is a perception established by the customers.

Definition
The degree to which a commodity meets the requirements of the customer at the start of its life.

Cost of quality

Three views of quality cost

1) Higher quality means higher cost

2) The cost of improving quality is less than the resulting savings

3) Quality costs are those incurred in excess of those that would have been incurred if the product were built or the service performed exactly right the first time

Quality costs

1) Cost of prevention

2) Cost of appraisal

3) Cost of internal failure

4) Cost of external failure

Total quality

A business approach and philosophy in which all elements of the process are integrated in order to meet the needs and expectations of customers.

Total quality management

the integration of all functions and processes within an organization

In order to achieve continuous improvement of the quality of goods and services.

In order to achieve continuous improvement of the quality of goods and services.

Indicators of customer satisfaction

- Frontline empowerment
- Exelent hiring, trining, attitude and morale for front line employees
- Proactive customer service system
- Use of all listening posts
- Quality requirements of market
- Commitment to customers
- Understanding customer requirements
- Service standars meeting customers requirements

ISO 9001:
(International Standard Organization, Norma)

Standard with which to know how to do things.

The effects of Quality are experienced by the customers.

Productivity

An economic measure of output per unit of input.

Output: Is typically measured in revenues and other GDP components such as business inventories.

Inputs: Include labor and capital.

Competitiveness

Lean a group discussion for this themme in order to undersatand exactly the meaning of:

- product quality
- service quality
- efficiency
- efficacy
- continuous improvement

Different people interpret quality differently

Few can define quality in measurable terms that can be proved operationalizad.

When asked what differentiates their product or service.

FOR MORE RESOURCES ON IGCSE/ A LEVEL/ IB BUSINESS, VISIT DINESHBAKSHI.COM

