

'Companies which adapt to change will succeed'

Richa Mishra

WHAT does a world-class company look like? What is the measure? Is it just a showpiece? Does it guarantee success? In Japan, the measure has been the Deming award; in the US the Malcolm Baldrige award. Not all winners of such prizes have been commercially successful. This proves that awards do not guarantee commercial success.

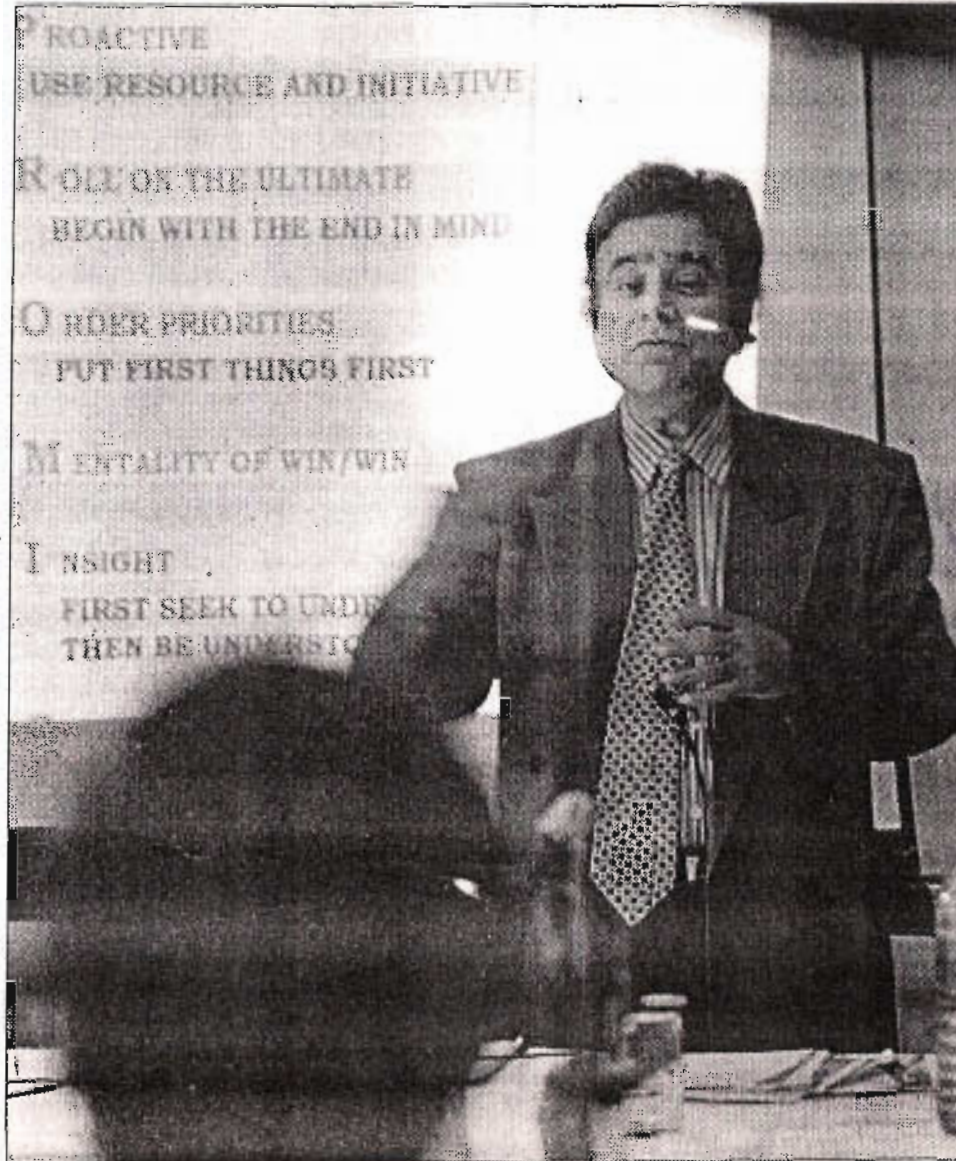
Quality has to be the entry point for a company to become world-class. It will lead to success when it is integrated into common business practices. Management quality is the best companion on the roads to business excellence. More and more consumers expect high quality at low cost - not as previously when quality cost more. Total quality management (TQM) is a concept, a comprehensive management approach towards quality and competitiveness and not a standardised model which can be applied generally.

The World Quality Council (WQC) is an apex body constituted by 52 national and international quality associations to promote, oversee and co-ordinate quality activities and acts as an international spokesperson on all quality issues. In an interview to Business Line, Dr. Madhav Mehra, Chairman of WQC, spoke on the importance of quality management. Excerpts:

INTERVIEW

What is quality management? Does it indicate product quality?

Quality management is now a criterion for a company to become world-class. New initiatives in the field of management must focus on all stakeholders (customers, employees, suppliers) and in addition, on the continual improvement of the internal efficiency of the quality tools in the company. It does not provide necessarily a competitive edge but it is the price a company pays to enter the market and having done so, the ISO 9000 is the qualifier. It does not indicate the quality of the product but proves that the company has documentation indicating that the system is in control.



Dr. Madhav Mehra, Chairman, World Quality Council.

A. Roy Chowdhury

survive and become world-class are those which have the skill to respond to change, not in terms of technological development, but in how their personnel is able to shed old concepts and conventions.

A recent survey on the return in investment of companies on the American stock exchanges proved that the companies which were consistently able to get better returns had one thing in common — each one of those broke the conventional rules and re-invented new methods for the industry. The capability lies not in how one follows the quality management system or ISO 9000 but how one adopts new measures to provide a distinguishing edge that will make the company world-class.

What role does the management play?

The management is the leader which enables the others to adopt the change and becomes pro-active. The management no longer follows the philosophy of 'Do as I say' but 'Do as I do'. An integrated approach to competitive management holds the key to achieving and maintaining success.

Where do Indian firms stand?

Though Indian firms have achieved world-class status in certain segments, as in software technology and textiles, we are still far behind. In a competitive survey, we stood 46th of the 53 countries researched. Even countries such as Taiwan and Indonesia are ahead.

Why so?

We have changed in the last five years but not at the pace at which there is a change in the managerial system. China is considered to be a more open country than India. While the other countries are adopting the changing signals faster and maintaining pace, we are far behind. Limitation of our own aspirations is holding us back in becoming world-class.

What is the future for Indian firms?

It promises to be very exciting. Intellectual assets will play a vital role and our ability to mobilise these assets will be crucial.

Continuous improvement is both a means to achieve high quality, low cost, delivery on time and to advance beyond the entry point towards increasing profits by satisfying customers.

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