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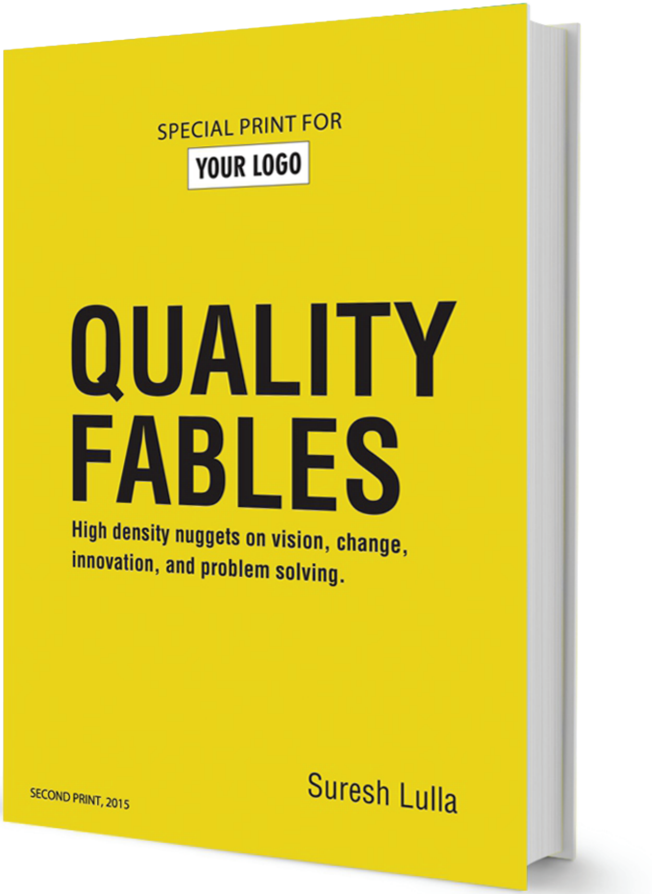
# QUALITY FABLES

## High density nuggets on vision, change, innovation, and problem solving.

Suresh Lulla

# Customize Quality Fables

## for your Organization

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# *Acknowledgements*

Jigisha, for grinding me

Jillian, for polishing me

Moiz, for packaging me

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# Contents

# *Preface*

“It takes more than a lifetime to discover who you really are. As one’s life peels through layer by layer, one finds a marvelous untapped opportunity in the next onion peel. The process is constant. Each discovery exhilarating!

This exhilaration can fortify one’s commitment to get to the core of who you really are. Believe me; this commitment gets exponentially intense layer by layer. I am still on this journey. I have changed career paths and roles at will, feeling—and not rationalizing—excited with each latent opportunity. My journey has had challenges. They have been as fundamental as “no money” and “no clients”. My current opportunity, in an environment where customers demand high quality at low cost, is in “digital training”.

While I have been in the consulting and training profession since 1972, I established India’s first dedicated quality consulting firm, Qimpro, only in 1987. The past 27 years have exposed me to numerous clients in India, South East Asia, UAE and Africa.

Naturally, they too have had myriad challenges. I have learned many lessons from these clients on problems and solutions for leadership, strategic planning, customer driven quality, cost driven quality, human resource management, process management, and more. I have seen my clients successfully take decisions based on knowledge, experience, ideas and hope. I wish to share these lessons as ‘Quality Fables’.

‘Quality Fables’ is not about fiction and/or animals. These fables are based on real experience and involve real people. In addition, they are short narratives making a significant point. The fables have inspired me to explore my commitments to myself.”

SURESH LULLA

7 July 2014

*“Return on investment
in quality improvement is
amongst the highest available
to managers. Quality improvement
is not capital intensive.”*

- Dr J M Juran

# 1

# *Customer First, Always*

How often have we seen posters in organizations shouting messages such as “Customer First” or “The Customer is Always Right”? How often, as a customer, have you actually experienced this claim?

I wish to share a story of an expatriate, in India, who actually made it happen.

In the mid-1990’s, India had graduated from a license raj regime to becoming a relatively more liberal economy. Policies had changed that permitted foreign organizations to hold more than 50 per cent shares in the pharmaceutical sector. This is a classic story of an organization that had been led by Indian executives for decades but was now to be led by an expatriate, since the multi-national European parent had opted for 51 per cent foreign ownership in India.

The person appointed to lead was of South American origin, who had had earlier postings in North Africa and South East Asia. He had never before set foot in India. The mandate given to him by his HO was “Transform the Indian operations into a customer-focused one in 1000 days”.

I met this executive (let’s call him Victor Fernandez) in his second week on the job. Victor looked relaxed in his office that overlooked the Arabian Sea. Torrential monsoon rain lashed the windows. After the professional formalities, he explained to me his 1000 days’ mission and what he had already accomplished. He said he had already achieved his goal! How?

Victor taught me the importance of execution. He also taught me the power of simplicity. His prescription was:

1. I (Victor) called all the senior executives to the board room on my second day at work.

2. Next, I asked each executive to take a foolscap sheet of paper and to list their customers on the left of the sheet. Of course, each executive listed the dealers, chemists, etc.

3. I corrected their perception of customers and defined it as the person who receives the output of the work one does. Each executive listed more customers than the others in the room. It seemed a status symbol.

4. A moment of truth followed… "What do you deliver to your customers?" There was silence in the room. "How do you measure your performance with your customers?" Not a clue.

5. "When did you last meet your customers?" Prompt came the answer… "Daily! In the car pool and cafeteria!" "No, no" I said, "when did you last meet your customers proactively?" Heavy silence.

6. "Never mind", I said, "let's make a simple plan. I would like you to list your 'A' category customers. I would then like you to proactively meet each customer for 10 minutes at their desk, weekly. The agenda for each meeting will be: How can I improve my offerings to you? Next, I would like you to log what you have agreed. I, Victor, will come and audit the log and action, weekly."

Victor explained the first round had been completed. He was going to execute the second round that week. And the next week he would request the executives to cascade the same process down to the next level. He would request them to audit the performance of their respective managers, and he, in turn would audit their ability to audit! Quite simple.

Victor underlined the simplicity of his process. He made me understand the Plan-Do-Check-Act theory underlying his approach.

But that was not all. There was another by-product to this approach. The whole organization learned from the grapevine that Victor spends his time reviewing deliverables to customers. He is customer-focused and walks his talk. Victor had faith in the grapevine for communication – efficient and effective.

## *Lessons Learned*

1. Leaders walk their talk
2. Strategic goals should be simple and clearly articulated
3. Customer focus is no longer a choice
4. Measurement is required in order to control and improve
5. Get commitment of your people first. Behaviour will change thereafter and, hopefully, attitude
6. A robust process can be simple, but must follow "Plan-Do-Check-Act"

■

*"You can't think efficiency with people. You think effectiveness with people and efficiency with things."*

- Stephen Covey

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# *The Mystery of Commitment*

In an English breakfast of bacon and eggs, which is more committed? The pig? Or the hen?

Organizations desire commitment at all levels.

But how do you get commitment for quality from the top management? It isn't that they are not committed. What I mean is ***committed-committed***.

The Chairman of a large steel plant, in the 1980s, resisted any formal quality intervention on the grounds that even the 3 percent seconds (read – rejects) of steel from his plant had a pent-up demand. Is seconds an opportunity or a threat? By translating the 3 per cent seconds into the language of top management, the opportunity converted to a threat. The language was that of money.

The alarm for 3 percent seconds was 30 percent of total cost! This is referred to as the Cost Of Poor Quality.

The Chairman compared that figure with his profit. He instantaneously became committed to drastically reducing the seconds. He assembled other members of the top management and declared war on waste! The Commander-in-Chief was none other than his legendary Managing Director. All the rank and file from all functions stood committed to the declared war.

Why had the Chairman not seen it this way before?

Ten years later the same steel plant became the lowest cost, steel producer in the world. A further decade on it acquired an ailing steel company in the UK. The UK company is a turnaround story today, importing the best practices from the Indian parent.

Finally, the answer to the original question on commitment is – the pig! He sacrifices his life.

## *Lessons Learned*

1. When you want to sell an idea to top management, speak the language of management – money
2. Lock the monetary opportunity into the strategic plan
3. Set global goals with local capabilities
4. Get the commitment first. A change in behaviour will follow
5. Inefficiencies in processes are the hatcheries for waste
6. Waste translated into Cost Of Poor Quality can trigger a thundering alarm

■

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*"A journey of a thousand miles must begin with a single step."*

\- Lao-Tzu

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# *Peels and Meals*

Once upon a time officers had separate canteen facilities to that of workers. Two decades ago the Earthmoving Equipment plant of a major auto unit in South India was no exception. A large workers' canteen was operational, on a three shift basis, on the ground floor and a neat compact officers' mess was designed for the floor above. The latter was also the regular venue for entertaining national and international visitors.

So what was the problem? The staircase leading to the officers' mess was a challenge for the nasal system of the sophisticated visitors! Polite handkerchiefs partially came to the rescue. Why? The garbage containers were placed under the staircase and they chronically overflowed! Quality was certainly not a way of life in the vicinity of the canteen.

The new President of the plant, who was a quality enthusiast, questioned the volume and cost of garbage. A key piece of information was that the local municipality refused to shift all the garbage, resulting in the daily rental of private dump trucks. These dump trucks cost the plant Rs 7,000 per day. Over and above this was the cost of wasted food. Collectively, we refer to this as Cost Of Poor Quality (COPQ).

A management team was appointed by the President to solve the problem.

In order to understand the situation the team set up two types of bins; one for avoidable waste (such as cooked food) and the other for unavoidable waste (such as peels and packaging). Avoidable waste accounted for two-thirds of the total canteen waste.

The team then embarked on a diagnostic journey, interviewing workers at meal time (remember, the plant worked three shifts). Here is a flavour of responses to the question "Why do you waste food?"

> "We are in South India and you serve us North Indian food."
>
> "The meal break is only 30 minutes, and the lines are too long. So I pile up food."
>
> "The ladles are too large. I could do with smaller servings."
>
> "The 'thalis' are much too large. So I pile up food."

The remedial actions involved:

1. Inviting a team of wives, by rotation, to set the menu and supervise the same.
2. Scrapping the large ladles and 'thalis', and replacing them with smaller ones.
3. Investing the saved COPQ into worker welfare.

The workers canteen now doubles up as a recreation club with facilities for table tennis and carom. The walls are sparkling white and adorned with paintings done by the children of the workers. In fact they even published a calendar that showcased 12 of the best of these paintings.

## *Lessons Learned*

1. Chronic problems tend to become culture issues
2. Challenge every norm
3. See the problem with your own eyes
4. Listen to the 'Voice of Workers'
5. Treat the workers with dignity
6. Earn the trust of workers through leadership actions ■

*“Champions are made
from something they have
deep inside of them
- a desire, a dream, a vision”*

- Mahatma Gandhi

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# *Lessons from Kargil*

Do you schedule your priorities? Or do you prioritize your schedule?

When the Indian line of control was crossed at the end of May 1999 by the Pakistanis, the Commander-In-Chief of the Defense Forces took charge to deal with the crisis. The Pakistani forces had occupied Kargil, up to Tiger Hill.

Indians were busy keeping up with the Cricket World Cup in England. The young Prince from Kolkata, Saurav Ganguly, was in top form. We were all celebrating until the sudden attack.

What was the vision of the Commander-In-Chief? To restore the Indian line of control. What stood between him and the line of control? An unfriendly Tiger Hill. Capturing Tiger Hill at speed was articulated as the national critical success factor.

What were the resources available to the Commander-In-Chief? The Army, Navy, and Air Force. The Army could not access the cliff - Tiger Hill. The Navy was not useful in this land-locked region. The Air Force lacked the aircraft that had speed and agility to strike the enemy and return safely in 30 seconds.

The Commander-In-Chief was aware that if he did not capture Tiger Hill within the next six weeks, the forces would not be able to restore the line of control by August when the first snow fall threatens the region. Failure of his vision would make it impossible to progress over the following eight months and this would lead to partially legitimizing the Pakistani occupation of Kargil.

So he scheduled his priorities. He set a key strategic goal to capture Tiger Hill within the following two weeks.

But what about the aircraft? He leased agile aircraft from France, costing millions of dollars per sortie. This was a tactical plan. It worked. The cost to meet a strategic goal, in this case, was irrelevant.

Once Tiger Hill was in the control of our Indian forces, the Commander-In-Chief prioritized his schedule. He set milestones to be achieved every day by the soldiers in the Army, who could now march forward through Tiger Hill. This was his operational plan.

India regained its territory and restored the line of control well before the weather turned hostile.

Jai Hind.

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## *Lessons Learned*

1. There are four levels of planning: strategic; tactical; operational; budgeting
2. A vision is a snapshot of what you wish to become
3. Strategic planning is a vision deployment exercise
4. For strategic planning, we must schedule our priorities
5. For operational planning, we must prioritize our schedule
6. Leaders must take full accountability for planning
7. Execution can be deployed

■

*"As you get bigger,*
*you have to learn to delegate.*
*It's also an excellent way*
*to get staff involved in the*
*company's operations."*

- Azim Premji

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# *Features and Failures – A Bank Fable*

Multinational Banks are known to invest in excellent infrastructure and executives. The lowest designation for a new campus recruit two decades ago, in India, was nothing less than Vice President. Salaries matched the designation. The self esteem of these freshly recruited students was always at a zenith. They were the prize catch for the most popular campus recruiters – multinational banks.

I was invited by a multinational bank in South Mumbai, the financial capital of India, to experience excellence. An autopsy of sorts. Yes, this branch of the bank had marble flooring, piped music, art that only a successful bank could afford, personal computers at every desk, and more. Perfect.

The head of the branch took me around to meet with several of his executives. I will focus on one 200 square feet section that was partitioned with a three feet high wall. This section seated four executives, in the four corners, facing the partition wall. All four in pin striped suits. Each of the four was very busy working on his dedicated personal computer.

I asked: "What is the activity of this section?"

Branch head: "They print the monthly statements of account holders."

The qualitist in me: "Oh, they manufacture monthly statements."

Branch head: ???

More of the qualitist: "What is the failure rate for these monthly statements?"

Branch head: "Can't you see…it's all computerized!!"

Yet more of the qualitist: "Oh. I see. Do any customers come back for a reconciliation?"

“Hardly any.”

“How many?”

“Perhaps one in 200.”

“Ah ha. That’s 0.5% failure rate.”

“So what’s the cost of failure?”

“ Minimal.”

“ Let’s find out”.

The branch head and I invested a half-day finding out what work the four executives actually did. As it turned out, one needed the equivalent of two persons to do 99.5% of the work right the first time and the equivalent of another two to correct 0.5 % failures!

So what is the cost of poor quality (COPQ) of this section? It’s 50% of the budget for that department plus the equivalent of marble flooring, piped music, and art.

The bank heard the alarm. They commenced their pilot projects by working on COPQ for the auto loan process in South India.

## *Lessons Learned*

1. COPQ is alive and well in every service process
2. A low failure rate can disguise a high COPQ
3. COPQ is an opportunity
4. Problems for pilot projects should have high visibility
5. Quality has two arms: product/service features and freedom from deficiencies ■

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*“The project-by-project concept of quality improvement applies to all industries, functions, and processes.”*

- Dr J M Juran

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# *Daughter with Child*

This is a story I love to hear, again and again, from a member of the Qimpro Fraternity, about how the whale shark has been saved. And it is not fiction.

The whale shark is the largest fish in the world. It can grow to over 50 feet in length and weigh more than 10 tons. Each year, this gentle fish comes swimming all the way from the shores of Australia to those of Saurashtra, between September and May, to spawn in these waters. Whale sharks can live up to 150 years.

For years, its size and mellow temperament made it an easy prey to fisherman who profited from them. Until the turn of the century, these fishermen killed about 1,200 whale sharks each year. Not only was the whole fishing operation cruel, but by not allowing the fish to breed, survival of the species was in danger.

Thankfully, in 2001, the Government of India banned the fishing and trading of the whale shark.

Soon after, the Managing Director of a leading chemical company in Gujarat, set a challenging goal to save the whale shark along the coast of Saurashtra. But with the condition that it must become a world-class conservation project. He encouraged all employees from his company to get involved.

As a result, the 'Save the Whale Shark' campaign was launched, facilitated by this chemical company. The campaign had a team of logical, but unlikely, partners. The partners included: the company, Wildlife Trust of India, the Coast Guard, the Indian Navy, and the Ministry of Environment and Reefwatch. Besides providing financial assistance, volunteers from these organizations and institutions created awareness in the fishing community.

Street plays, games, posters, inflated flotillas, postage stamps, and school art competitions became the feed for building awareness. However, as always, building awareness had its own majestic pace.

Almost miraculously, the tide changed when the spiritual leader Morari Bapu, an interpreter of indic traditions, was co-opted into the campaign. In his discourses he reminded the community of the age-old Indian tradition of welcoming a 'daughter with child' into her parents home to give birth.

The analogy melted people's hearts, and since then, the whale shark has not just been welcomed on the shores of Saurashtra but also fiercely guarded with parent-like protectiveness.

## *Lessons Learned*

1. All life forms on our planet are important
2. Public and private organizations / institutions can seamlessly collaborate if they have the 'passion' for a common mission
3. Seek commitment first. Change in behavior will follow
4. Customize communication for the target audience
5. Simple innovative solutions can deliver major breakthroughs
6. Define the means to hold the gains

■

“I am **molding** a **compendium** of **Quality Fables** from across **industry** that resonate with **Business Excellence**.

Do you have a **story** to tell?

Send it to me at inbox@sureshlulla.com and let’s make a Fable out of it!”

**Suresh Lulla**
Founder & Mentor
Qimpro

Suresh Lulla, a distinguished alumnus of IIT Bombay, has made a mark through his work in the field of Quality.

He is a veteran professional with over 45 years of experience as a management consultant, speaker, trainer, and author.

Mr Lulla was mentored by Dr J M Juran, 'the father of Quality', who along with Mahatma Gandhi and Shri Ramkrishna Bajaj form the trinity of his role models. (He jokes that one thing he has in common with them is a bald head.)

He founded India's first dedicated Quality Management consulting firm, Qimpro Consultants, in 1987. Since inception, Qimpro has helped save over INR 20,000 crores for organizations across industries.

In 2004, Mr Lulla was awarded the Indian Merchants Chamber (IMC) Juran Centennial Medal for his pioneering contribution to quality practices in India. He is the Chairman, IMC Quality Awards Committee which adjudges the IMC Ramkrishna Bajaj National Quality Award as well as the IMC Juran Medal.

@sureshlulla

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