

Quality

EXERCISE 1

Match the words in the box with the definitions below:

benchmarking	defect	durability	goodwill
reliability	to scrap	serviceability	warranty

1. a fault or imperfection or deficiency
2. a promise that goods will meet a certain specified quality level, or be repaired or replaced free of charge
3. customers' satisfaction with and loyalty to a company
4. ease of maintenance and repair
5. going outside the firm to see what excellent competitors are doing, and adopting the best practices
6. performance over a long period of time
7. regular performance according to specification
8. to sell defective goods for the price of the recyclable materials they contain

EXERCISE 2

Match up the following words with the underlined words in the text.

achieve	aspects	costly	disliked
expenses	guarantee	origins	permanent
present	selfish	setting up	stress

In production and operations management, over the past few decades, there has been increasing (1) emphasis on quality, as defined by the consumer, in terms of features offered, appearance, reliability, durability, serviceability, and so on.

An important concept has been Total Quality Management (TQM), according to which management should ensure that quality extends throughout the organization in everything it does, or at least in all (2) features of products and services that are important to the customer. Rather than aiming for the best quality compatible with low unit costs, the company should aim for the highest quality level possible, because a lack of quality can be more (3) expensive than achieving high quality. As the production theorist Philip Crosby puts it, quality is free.

What he means is that there are many (4) costs that result from production that is not 100% perfect: inspecting, testing, identifying the causes of defects, implementing corrective action, training or retraining personnel, redesigning a product or system, scrapping, reworking or repairing defective products, replacing products in accordance with a (5) warranty, dealing with complaints, losing customers or their goodwill, and so on. Quality theorists such as Joseph Juran, W. E. Deming, and Crosby have shown that prevention is usually much cheaper than failures. Every extra dollar spent on prevention might save \$10 spent on inspection and failure costs. Furthermore, even if the (6) current quality level appears perfect, the company should still continuously look for product improvement, and aim to be the best in the industry. Companies should always engage in benchmarking.