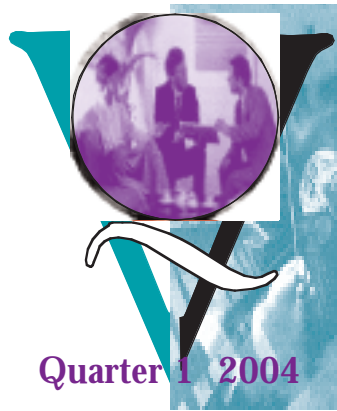


THE PIVOT PALETTE

A quarterly publication of PIVOT Management Consultants



Quarter 1 2004

MISSION

Be a premier provider of management consulting services to industry in the high technology, manufacturing / design, services, healthcare, education and government fields.

Be the best partner a business leader can have to help accelerate the move along the path of continuous quality improvement and quality system enhancement, rethinking and changing the way our client's business is done internally and for the marketplace and industry our client serves.

Implement operational improvements across all functions and levels of our client's organization to achieve improved strategic and marketplace position, delivering value added measurable results.

Provide a positive, rewarding, collaborative work environment within PIVOT that fosters personal growth, fulfillment and success for our associates, suppliers and clients.

VISION

Together we will. . .

Work to fully understand the requirements of our jobs, the requirements of our clients and the systems that support us.

Provide error free services, analysis information, education and skills training on time to our clients.

Practice ethical, honest and fair behavior in our interactions with clients, associates and suppliers. We will not promise anything we cannot honestly deliver.

Inspire trust and respect by our clients, associates and suppliers, through PIVOT's proven commitment to our mutual success.

Have fun!

INTRODUCING

QUALITY CIRCLES

Yeah, they're still around . . . in spades! In fact, the March 2004 issue of Quality Digest indicated that the world is now, more than ever, competing on the basis of quality in an environment governed by trade, commerce and industrial development; even competing with each other to attain quality leadership. In other words, this has now reached the status of a mass movement that requires a constant effort to groom quality people.

One of the means to do just that is to revisit the Quality Circle concept from the 1970/80's that Japan initially used so effectively and that America initially tried, but never managed to implement quite as well. Whereas, other nations are now finding that Quality Circles are a tool that have not been given the attention it deserves as a powerful tool in educating the new quality people needed to compete in these times where new leadership is in constant demand and raising product and service quality as well.

JUST WHAT IS A QUALITY CIRCLE?

A group of people, ideally seven or eight, who voluntarily meet together on a regular basis to identify, analyze and solve quality and other problems in their common work area by determining root cause whenever possible. Members need not have prior experience, but should be trained in problem solving techniques and should work to improve circle member's productivity and build their ownership and pride in their company and its products.

AND JUST WHAT IS MANAGEMENT'S ROLE?

Their job is critical. For circle success, they should:

- Allow and encourage circles to meet on company time,
- Encourage regular attendance by the circle members at their regularly scheduled meetings,
- Provide adequate meeting areas and materials for circle meetings,
- Assist in publicizing circle activities by providing space and materials,
- Provide staff support as required,
- Encourage departments to budget for, establish and support circles.

MANAGEMENT PARTICIPATES BY:

- Giving serious and prompt consideration to circle ideas which have been forwarded to management for approval,
- Implementing approved circle solutions in a timely fashion,
- Replying promptly to circle requests for assistance and information, and
- Attending circle meetings when appropriate



QUALITY CIRCLE RESPONSIBILITIES?

- Assure each member has equal status and equal chance to participate.
- Schedule meetings and presentations within the framework of known workloads.
- Work together on any problems the group identifies as important, which pertain to the quality of the product, process or place.
- Agree at the outset upon: the rules of conduct for the group, subjects which are not within the realm of the group to work on, protocol and procedures for handling lateness and

SIX SIGMA TRAINING

Recognizing that certification as Six Sigma Black Belt or Green Belt is becoming important, there are not many opportunities for getting this training locally in the Los Angeles region. We are offering public Green Belt and Black Belt onsite training – one day a week, for 10 weeks and 20 weeks respectively, as most organizations find long class times rather challenging (keeping key workers away from production). Lean and Triz are covered as well. We also offer 3 days of training for Lean Six Sigma Champions. For details, please call us or visit our website, www.pivotmc.com. We also realize that implementing six sigma with only black belts or green belts can be difficult. To address this concern we offer training in Six Sigma for the Workforce, a 40 hour program. State financial assistance is a possible option. Give us a call: 877-pivotmc.

PROJECT MANAGEMENT TRAINING

PIVOT also offers training and consulting in Project Management of which Leadership is a major component. Creating the Project Charter, learning how to work together as a team, creating a project plan, doing and monitoring the project and closing out the project are some of the key elements. All are important in the successful completion of that critical project and in your customer's happiness with you as a company. Again, go to our website, www.pivotmc.com for a more complete list of our offerings.

SPC IS STILL AROUND TOO!

Recognizing that there are many of you may be relatively new to the world of quality control, we've listed two excellent workbooks especially for the novice. Or for those who simply want to brush up on the concepts. These workbooks are extremely easy to use and follow. Highly recommended!

THOMAS PYZDEK, "AN SPC PRIMER". TUCSON ARIZONA: QUALITY AMERICA, 1988, 73 PAGES

THOMAS PYZDEK. "PYZDEK'S GUIDE TO SPC". TUCSON, ARIZONA: QUALITY PUBLISHING. INC., 1992, 82 PAGES

PREVENTION, TWO WAYS . . .

There still seems to be some confusion out there about prevention as defined in ISO 9000 or in any other such quality management system document. Certainly, after discovering the root cause of the problem, whatever corrective action you take should certainly be preventive in nature; i.e., when the true fault is removed, it prevents the problem from recurring in the future.

But that's only part of it. Discovering process defects that may *not have yet* resulted in a failure, or have the potential of failing, is the other one. Typically, most companies ignore this latter aspect. This is where that seemingly outmoded Suggestion System comes into play. Yes, a *SUGGESTION SYSTEM!* You can call it what you will, but that's what it is; employees using their brains and reporting their ideas to improve a process! Companies should establish a formal system that rewards the suggesters for their ideas to help achieve that prevention factor that ISO auditors desire, the real purpose of ISO 9000! Lowering the cost of design and production while achieving higher quality and reliability . . . just figure.

HAVE YOU THANKED YOUR EMPLOYEES TODAY?

Everyone typically desires recognition of some kind. I can remember as an engineer when my boss (the first one who ever did this) would hand out our paychecks weekly himself, visiting us in our cubicle or office, instead of delegating that task to a secretary. Not a big deal, you say? But this boss would hand each of us our check and say, "thank you for . . .".

I remember that I appreciated that so much that I never forgot it. In years later when I became a supervisor, manager, then director . . . I did the same thing. It was just a little thing, but my employees not only appreciated it, but also really turned to and worked hard to meet all our department goals and helping set them, so much so, that we were always on top with an impeccable reputation for reliability! I like to think that a seemingly little gesture like thanking your employees had a lot to do with the pride they exhibited in our departments' operations and the goals we achieved together!

If you have any comments/suggestions, please contact:
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or write to: PIVOT, P.O. Box 536, Upland, CA 91785-0536
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Quality Circles . . . cont'd from front page

absenteeism and housekeeping ground rules the group deems important.

- Avoid working on problems the circle cannot influence, such as benefits and salaries, hiring and firing policies and personality problems.
- Search for solutions to high priority problems wherever possible. If implementation of the solution requires management approval, the circle should present the problem and its solution to the circle supervisor and the department manager.
- Present periodic reviews to facility management on their progress.
- Record the circle activities, track problems identified, problems solved, cost reductions realized, number of meetings and active members.
- Communicate circle activities to non-circle members within the section or department.

HOW DO QUALITY CIRCLES OPERATE?

- Circles have access to a trained circle facilitator who understands how to organize, train and support quality circles.
- Employees are introduced to quality circles in an orientation meeting.
- Circle leaders are trained in problem solving and team dynamics.
- The facilitator or circle leader trains the circle members.
- The circle itself selects its regular meeting time.
- The facilitator assists the leader during meetings until the circle feels confident enough to function on its own.

HOW DOES A CIRCLE FUNCTION?

The team leader, usually a first line supervisor, meets regularly (usually one hour per week) with the team of 8 to 10 employees. The members of the circle focus on work-related problems. First, team members brainstorm their ideas to identify problems. The problems are then ranked in order of importance, and the most important problem is selected for attention. The team then works carefully to define the nature of the problem.

Circle members collect data if necessary. They may brainstorm their ideas with others, e.g., engineers, inspectors, or managers who have knowledge of the problem. Once members have developed the solution, including the action they propose and its cost, they either implement that solution or make a detailed presentation to the appropriate manager.

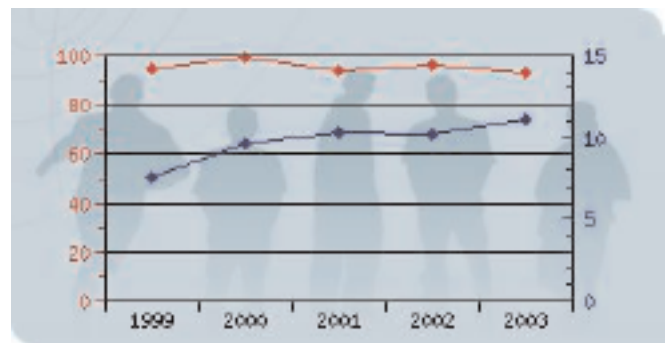
Circles are encouraged to do their 'homework' and to use systematic techniques for problem solving and follow-up.

SUMMARY

Quality circles are much more than just a pro-gram. They are a process, a team process – a participative way of managing which directly involves employees at all levels of problem analysis and solution.

Quality circles furnish an opportunity for employees to contribute ideas and implement solutions. They provide training in the basic tools of quality control and problem solving so that employees have the maximum opportunity to contribute, to become involved, and even to exceed their own expectations.

Do consider this approach as one of your very effective management tools. Try it. You'll like it!



MORE QUALITY CIRCLE INFORMATION . . .

Much more information may be obtained by going to the Google search engine: www.google.com and enter "quality circles".

INTEGRITY IN BUSINESS . . .

Trust. Honor. Loyalty. Three words that seem to have little meaning today. Doctors check credit references before treating the ill; publishers value commercialism over literary excellence; holidays revolve around shopping and parties rather than family or religion; policemen, baseball players and teachers - once role models for children - are now accused of savagely beating citizens, betting on sporting events and altering student test scores to promote their own reputations. One of two couples trade their marriage vows for divorce papers. Two in every three Americans believe there is nothing wrong with telling a lie; only 31% believe that honesty is the best policy. When >50% of those eligible to vote don't, when 30% of spouses cheat and when there seems to be an attitude that honesty doesn't pay in business, I sometimes wonder whether our decline in morality is a cause of many of our problems in the world.

The costs of this trend to business as well as government are enormous. We view customers as transactions rather than life-long relationships. Employees are instruments to increase the bottom line rather than partners and associates in

the business. And then we're surprised when we get what we deserve and wonder why our business has stopped growing or improving.

Many organizations believe there is no correlation between integrity and bottom line performance. They are wrong. When people work for an organization they believe is fair and has a worthwhile vision, where everyone is willing to give of themselves to get the job done, where traditions of loyalty and caring are hallmarks, then people work to a higher level. The values around them become part of them and they think of the customer as someone to whom they owe the finest possible product or service. Because they believe in the mission of their organization, they work harder to exceed customer expectations to ensure their products are flawless, produced on time and within budget. In other words, they take pride in their work. When that happens, an organization builds a reputation for quality that draws more customers and increases market share.

I could spend much more time here in making the additional connections between business integrity and organization success, but I'm sure

you get the picture. The good news is that, in spite of the doom and gloom I imparted at the beginning of this message, I see the American "ship" turning around on the high seas of worldwide competition and getting back to basic values.

The Quality Management movement contains the elements of leadership integrity and employee empowerment in keeping with the understanding you don't jump down people's throats because they make mistakes. You make it clear you know they are trying to do their best and they will understand and respond in kind. It also means you don't hire bodies to join an organization, you seek valued employees to join your business family. You make it clear that you are not out to sell your customers; but to service them. That your responsibilities go beyond the next quarter's financials to building a legacy for those who follow . . .

I have confidence in the inherent ability of our country's people to achieve this end . . . and of course, that's only the beginning !

Jim Schaming, PE, ASQ Fellow

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