

How Quality Transformation Eliminates a Growing Threat to Product Performance

Key Findings

- Reoccurrence and delays in corrective and preventative action (CAPA) closures are cited as the number one concern for Quality leaders in 2016.
- CAPA efforts are taking longer to close in 2015 than in the prior three years.
- Seventy-five percent of Quality leaders cite increasing cost and revenue pressures as the primary reason for reoccurrence.

Looking Beyond Process to Drive Quality Performance

Many advanced Quality programs are finding, for the first time, that process improvement and defect reduction initiatives are having little to no impact on the overall company performance. Just as soon as new issues are identified and fixed, quality executives report that previously resolved problems are again rising to the surface.

Over the past two years, we have closely examined what typically drives reoccurrence to better understand how Quality teams can increase their chances of long-term success. We've found that the techniques used to resolve issues are less important than the way these fixes are implemented. To reduce reoccurrence and accelerate CAPA closures, Quality must:

- Reduce stakeholder effort to increase resolution success,
- Eliminate distractions that prevent good solutions from working, and
- Sustain supplier commitment to quality improvements.

Reduce Stakeholder Effort to Increase Resolution Success

Quality leaders and business leaders typically agree quality is important. But middle managers and frontline workers often don't view quality in the same light and will deprioritize improvements that seem burdensome or unnecessary. When quality initiatives aren't fully implemented, it wastes effort, and organizations continue to experience errors. Quality's emphasis on the ROI of its initiatives does little to motivate action. Firms that focus on reducing stakeholder implementation effort can greatly increase the likelihood that changes stick.

Quality leadership must actively support staff to enable them to adopt new behaviors. Quality leaders need to take three steps to help staff make initiatives easier for business partners:

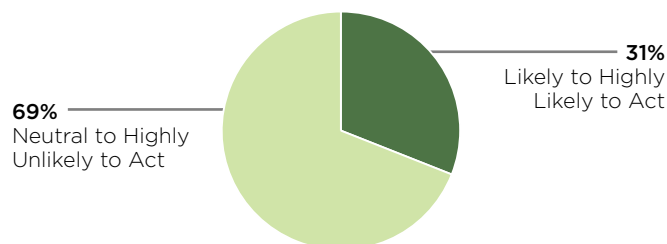
- Help staff understand the drivers of business partner effort.
- Ensure staff provide support to make initiative implementation easy.
- Motivate staff to adopt make-it-easy behaviors.

About CEB

CEB is a best practice insight and technology company. In partnership with leading organizations around the globe, we develop innovative solutions to drive corporate performance. CEB equips leaders at more than 10,000 companies with the intelligence to effectively manage talent, customers, and operations. CEB is a trusted partner to 90% of the Fortune 500, nearly 75% of the Dow Jones Asian Titans, and more than 85% of the FTSE 100.

Business Partner Likelihood to Act on Quality Initiatives

Percentage of Respondents



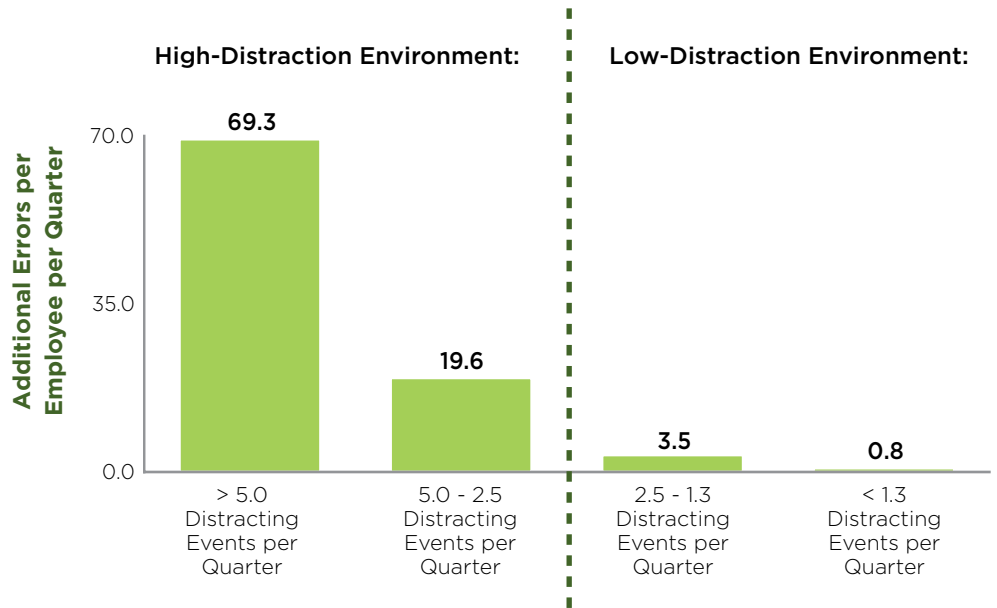
n = 7,279 business respondents.
Source: CEB 2014 Global Research Insights Survey.

Eliminate Distractions That Prevent Good Solutions from Working

Lost employee focus significantly drives quality errors. Given that most work environments are laden with error-inducing distractions, lack of focus can significantly lessen overall quality performance. Although important, employee focus is difficult to quantify, measure, and act on. Leading organizations look a step further to the distracting events that can cause employees to lose focus. Progressive firms have found that effectively identifying and neutralizing the sources of employee distraction can reduce customer-facing errors by over 50%.

However, reducing employee distractions requires more than just increasing management oversight. In fact, companies that responded poorly to employee distractions—typically those who just increased oversight—actually increased the number of employee errors after the distracting event occurred. Leading firms found that engaging employees so they could identify times of high distraction worked far better than top-down solutions.

Impact of Distracting Event Volume on Employee Errors



n = 885 employees.

Source: CEB, CEB Quality Leadership Council Member Survey, 2013.

Note: Statistically significant at 99% confidence level.

What This Means for You

While Quality's tried and true performance improvement tools are far from broken, companies must take greater care with how these tools are used if they are to avoid losing ground to reoccurrence. CEB provides Quality leaders and their teams the skills and tools necessary to eliminate the likelihood that issue reoccurrence and other problems will affect key improvement projects.

Sustain Supplier Commitment to Quality Improvements

Of all the root causes of significant issue reoccurrence, supplier nonperformance is the hardest for Quality teams to influence. Supplier nonperformance is also something that can't be solved by Quality alone, and requires Quality to better involve procurement and supply chain business partners to enact coordinated fixes that drive sustained performance improvement. Without a coordinated company response, Quality often finds that hard-earned improvements in supplier performance begin to slip mere months after implementation.

Progressive organizations that sustain strong supplier performance focus on three key supplier-facing initiatives to reduce the likelihood of supplier-led issue reoccurrence:

- Create an integrated supply-chain supplier risk assessment.
- Provide audit tools that help Quality staff assess the strength of a supplier's culture.
- Establish improvement programs that help increase supplier employee engagement (rather than just process improvement).

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