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TITLE: "Effect of Quality Assurance and Registration in the USA"

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I. THEMES:

Quality assurance initiatives and ISO 9000 registration are having a very positive impact on the competitiveness and profitability of USA companies.

Most USA companies which have become registered over the past five years are reporting significant benefits; this paper will describe some of the statistics that help to measure those benefits in terms of gains in productivity and profitability.

Specific requirements and techniques associated with ISO 9000 registration contribute directly to support of Total Quality Management (TQM) and Continuous Improvement (CI) objectives.

The process of preparing for ISO 9000 registration provides many immediate and tangible benefits for the business activities of USA companies.

II. INTRODUCTION:

US manufacturing companies experienced decades of relative indifference to product quality. In the period following W.W.II, USA companies concentrated on mass production techniques to satisfy the tremendous demand in both domestic and international markets for consumer goods. Quantity was more important than quality to satisfy consumers, because the war had depleted so much of the world's production resources. The USA enjoyed a position of worldwide recognition as a leader in production technology and the supplier of well-built automobiles, aircraft, armaments, and heavy machinery.



In the 1970's and 1980's, the world marketplace changed into a period which saw Japan, Germany, Taiwan, and even Hong Kong acquiring a reputation for quality while the USA's reputation was slipping badly and market share was eroding rapidly.

Recently, however, quality has become as important as technology for successful business in both the USA domestic market and worldwide markets. The initiative provided by the nationally-supported Malcomb Baldrige National Quality Award, the rapidly accelerating acceptance of the ISO 9000 standards, and the harmonization of various government and industry standards have all contributed to a measurable increase in USA product and service quality. The reputation for quality once represented by the "Made in USA" label is once again on the rise.

USA companies feel that they are able to expand their markets by going after a wider variety of customers in a larger geographic market with quality system certification such as ISO 9000. A US Department of Commerce representative from Nashville, Tennessee has been quoted as saying, "If American companies are going to compete globally, they should have ISO certification. ...more and more businesses are becoming convinced that this is something they've got to do."

III. OBJECTIVE EVIDENCE:

For those companies incorporating ISO 9000 and other quality management principles in their business, the gains in productivity and profitability are now measurable. Many USA and European companies have been keeping track of the costs associated with ISO 9000 registration and implementing other quality programs, and have also tracked financial indicators showing "return on investment." The surveys that have been conducted by industry groups and ISO 9000 registrars have revealed some very positive financial results.

The first significant statistic is that most USA companies average only 18 months to realize a complete return on their investment for initial ISO 9000 registration costs. Logic implies that applying a systematic quality management approach like ISO 9000 to business operations improves productivity and reduces waste. In a survey of over 200 companies that had achieved ISO 9000 registration over a three year time span, the statistics show in financial terms how the return on investment is achieved. The following numbers compare averages for an entire industry to the averages for the ISO 9000 registered companies in the survey.