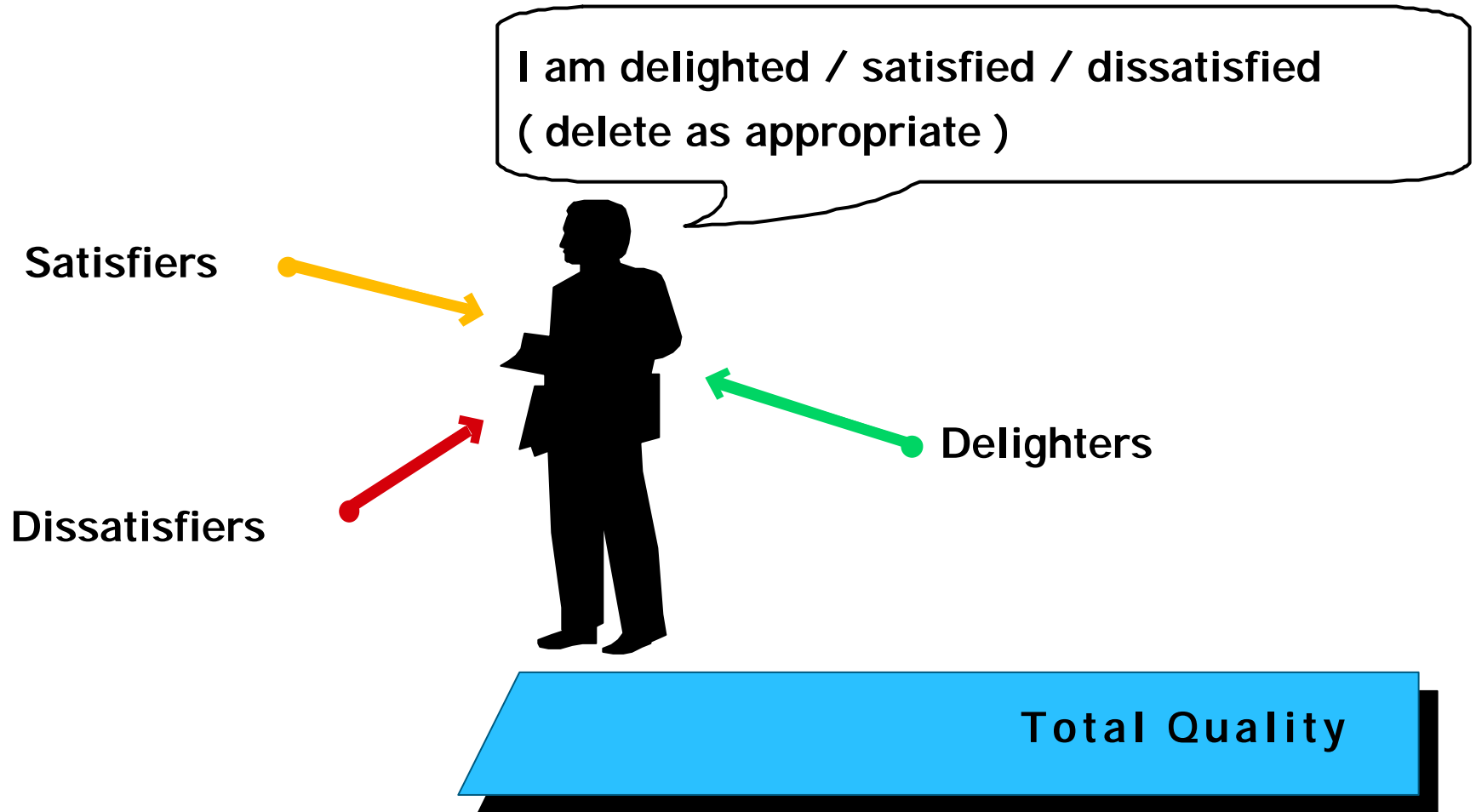
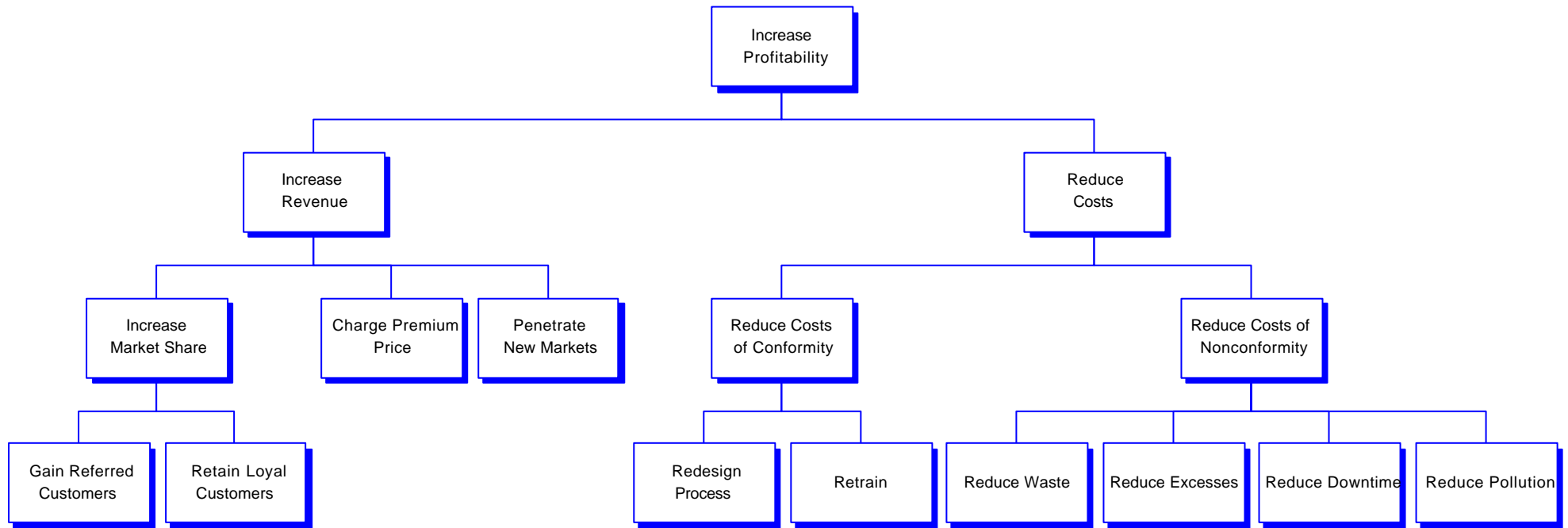


John Marsh

Customer Response



Economic Benefits of Quality



Total Quality

Cost of Conformity

- **Cost to fulfil all of the stated and implied needs of customers in the absence of failure of the existing process.**

Cost of Nonconformity

- Cost incurred due to failure of the existing process.

John Marsh

Principles of Quality Economics

- **Ownership**
- **Relevance**
- **Prioritisation**
- **Simplicity**
- **Flexibility**

Total Quality

Creating a Cost Model

- **1 Produce Process Model**
- **2 Identify Process Costs**
- **3 Produce Process Cost Report**

John Marsh

Quote

- . 'The most important figures needed for management of any organisation are unknown and unknowable'.
- . Dr Nelson, Nashua Corp.

Total Quality

John Marsh

Quote

- . 'It is the mark of an instructed mind to rest content with that degree of precision which the nature of the subject permits and not to seek exactness where only an approximation of the truth is possible'.
- . Aristotle

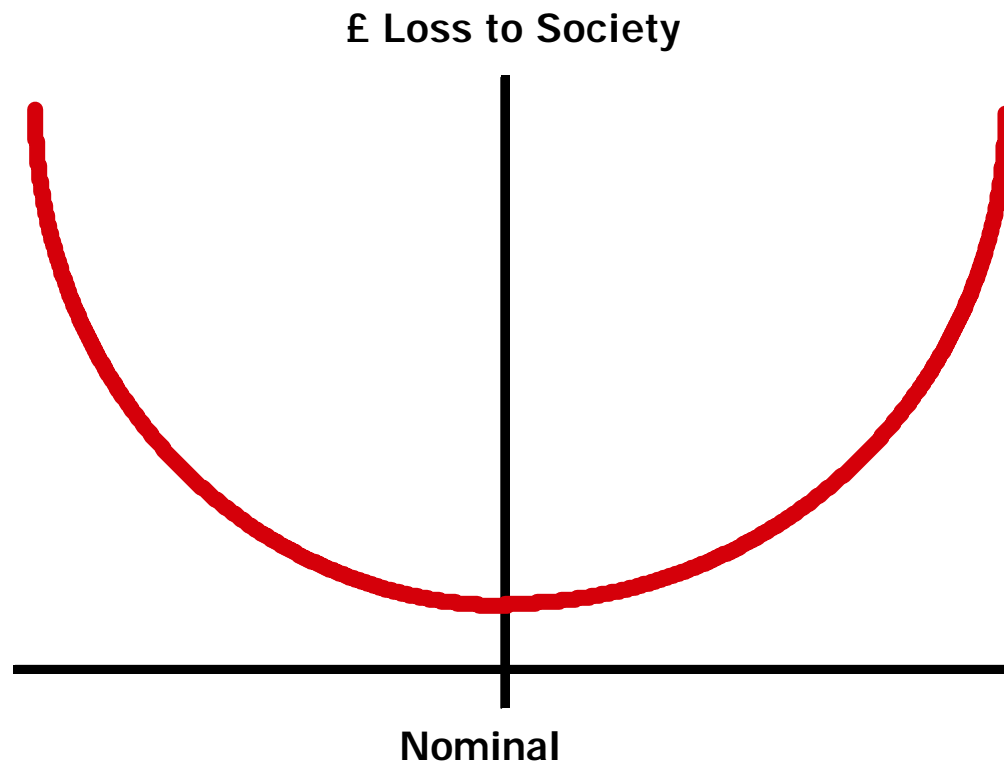
Total Quality

Warnings

- . Creating fear
- . The unknown and unknowable.
- . Downstream effects.
- . Optimisation.
- . Continual improvement versus conformance to requirements (Taguchi)

John Marsh

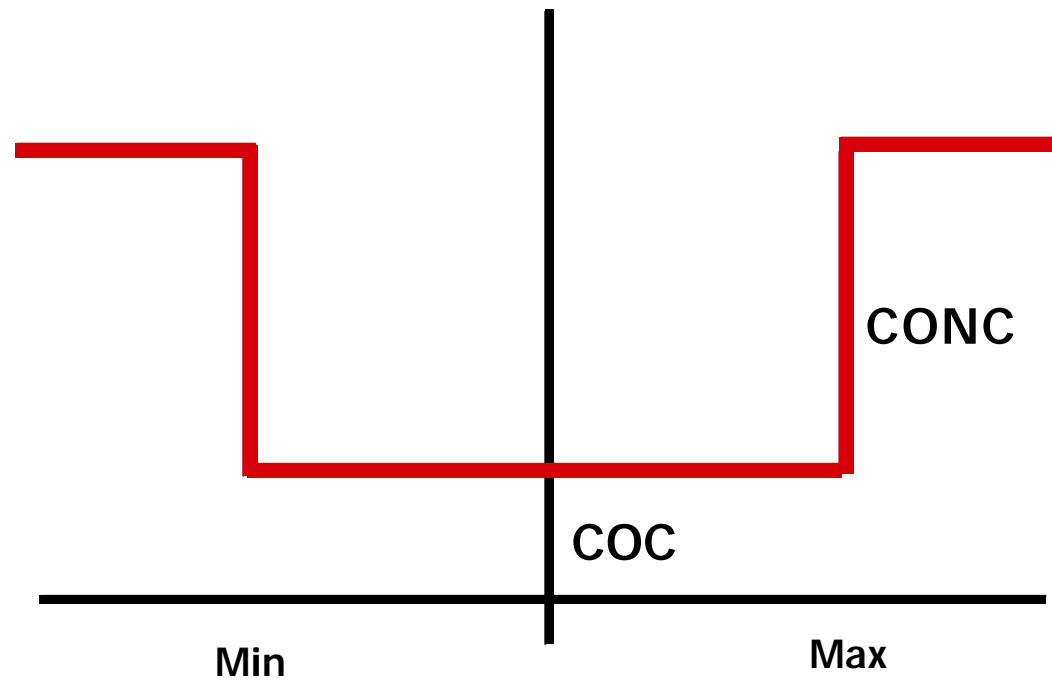
Taguchi Loss Function



Total Quality

John Marsh

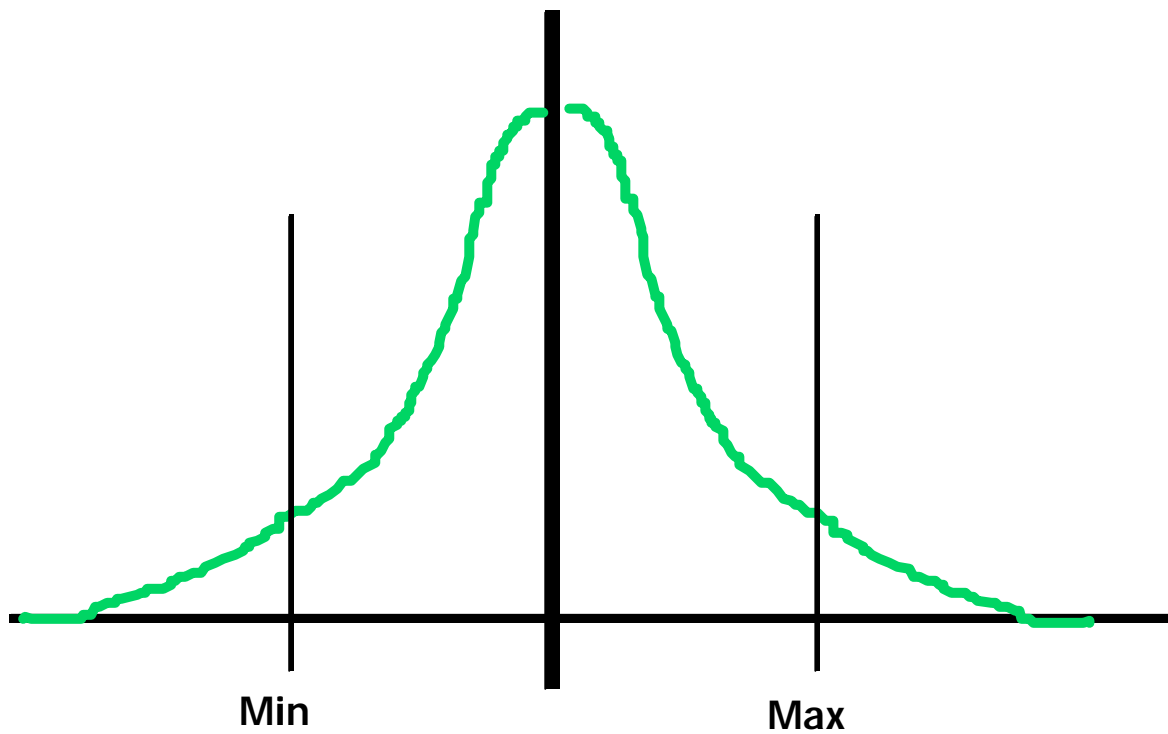
Conformance View



Total Quality

John Marsh

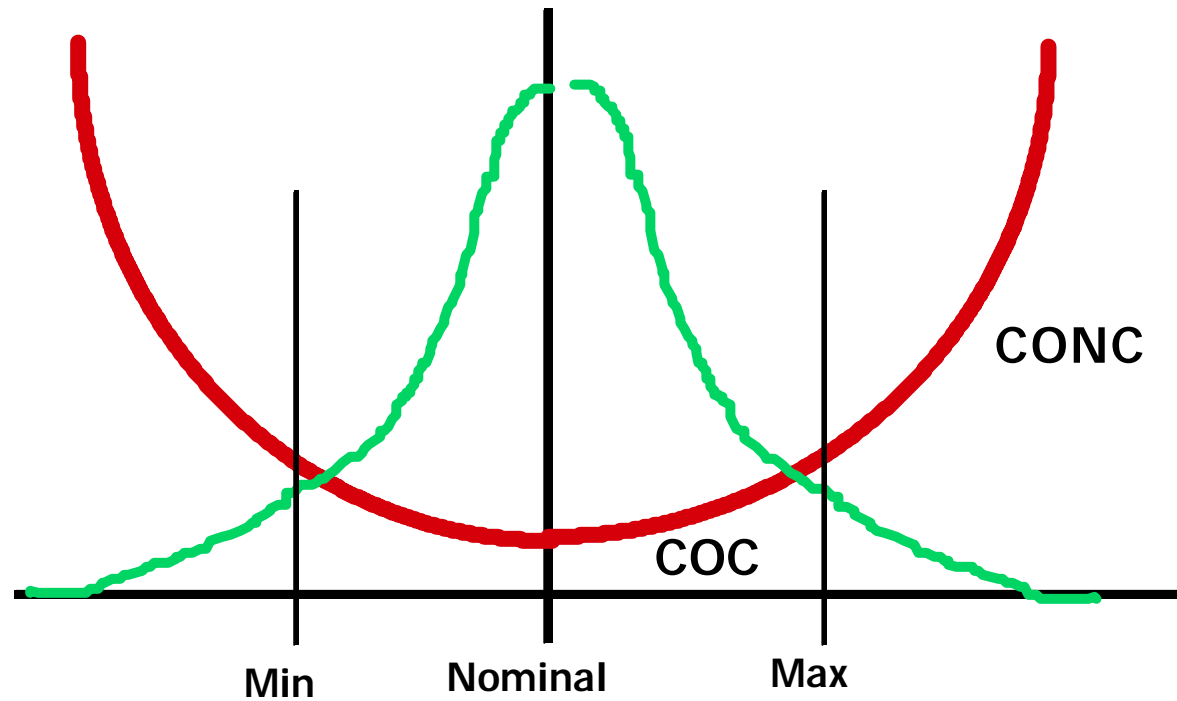
Variation Everywhere



Total Quality

John Marsh

Continual Improvement



Total Quality