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State improving quality

By **BILL CAREY**

Staff Writer

Tennessee is getting into the quality-improvement business. Slowly.

Gov. Ned McWherter has enthusiastically endorsed a plan that calls for the implementation of a quality-improvement program in state government.

"When you look at the business community," McWherter said during a recent speech before a conference of state managers, "you will see a great change taking place.

"And I believe that — like them — we can do an even better job serving our customers."

Unlike most corporate settings, where the impetus to institute quality-improvement plans comes directly from the top and is followed by training for all employees, the program McWherter endorsed was introduced by a legislator and will be adopted piecemeal.

"It didn't make any sense to me that government departments had



CHUMNEY

Spot weaknesses, customers first

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Roland Rust and Art Hammer have strong ideas about how to make a quality-improvement program work.

"I've seen government and the private sector do it wrong many times," said Hammer, of QualPro Inc. in Knoxville.

Talk about a niche. Hundreds of firms teach organizations how to start a quality-improvement plan. QualPro specializes in repairing them.

"By now, there are very few versions left, and most companies have tried one thing or another," Hammer said. "We specialize in what we call 'quality the second time around.'"

Hammer maintains that the key to a successful program in state government is demonstrating its effectiveness immediately.

"If I was trying to start a program in state government, I'd start by taking a couple of specific processes that are in deep trouble and using quality strategies to turn them around. Better



RUST



HAMMER

to do two and get it right than try 10 and have people say it failed." Hammer, once described by the *Washington Post* as an "impatient man," expects quick results.

"This first step can be accomplished in six months or less," he said. "That prediction often surprises people, but there is way too much emphasis on how quality programs can take forever. There's no reason to take six weeks to do what could be done in one."

Roland Rust, a professor at Vanderbilt's Owen School of Management, said the biggest mistake huge bureaucracies make while attempting quality improvement is to view their program as internal.

"Government programs often come up with ways to streamline and cut costs, but they rarely come up with ways that actually make a positive impact on the customer," Rust said. "To be successful, a quality-improvement program must focus on the customer."

Rust said service organizations fail when they focus on processes that don't meet the customer's most important needs.

"Sometimes, organizations will set up service specifications for improvement, something like, 'We're going to answer all phone calls within a day.' These specifications almost all end up being time-related because that's easily measurable.

"The problem is the customer may not care much about that, so you end up with a distorted view of what quality is.

"The best way to do it is to identify customer groups and figure out what drives their satisfaction. Then you work on building satisfaction in those areas."

Rust is optimistic about the state's blueprint. ■

State improving its quality with lawmaker's proposal

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no incentive to spend less than they did," said Rep. Carol Chumney, D-Memphis, chairwoman of the state's Quality Improvement Task Force. "So I proposed a bill that would monetarily reward agencies that saved money. It went nowhere.

"A few months later, I decided to amend my bill and include it with quality improvement."

Quality improvement, under a number of titles, became a rage in the early 1980s when American manufacturers realized they had fallen behind their Japanese counterparts.

Supporters say that if properly applied, these programs remove nagging inefficiencies and increase customer satisfaction. Since the mid-1980s, the emphasis on quality-improvement programs has spread from manufacturing to government agencies, the military, health care, education, and even law firms.

The quality-improvement move-

ment is based upon a few assumptions. One is that internal processes, not people, are the root cause of bad quality. Another is that quality can and should be measured statistically. Finally, the philosophy states that if employees are trusted and empowered, the organization will be better off in the long term.

Under the state blueprint, the new Office of Quality Management will help develop prototype programs at a handful of the 22 state agencies. To be chosen as a prototype, an agency will present a bid proposal. Once chosen, the cost of initial training will be taken from that agency's budget and matched with funds from a pool of money to be designated by the state.

It's hard to imagine a company like Ford or Xerox taking such a step-by-step approach to quality improvement, but the plan is based on political and economic reality.

The incredibly high cost of training more than 20,000 employees makes instant, across-the-board adoption an impractical first step.

"Under this plan," said Robert Barlow, head of the Office of Quality Development, "real changes have to start in the agencies themselves, and the only ones that will be trained initially are the ones that are committed to the process. It's not a mandate kind of thing."

Chumney said: "Obviously, we couldn't train and convert everyone at once. But we had to do something."

The state has hired a skeleton staff under Barlow. The next step in the process is that the state will form an advisory council that will pick the prototype agencies.

Tennessee is hardly the first government bureaucracy in America to consider a similar program. Over half the state governments in America have adopted a quality-improvement program of some kind. Locally, Metro Water Services and Juvenile Court have adopted quality-improvement plans that their directors say have been very successful. ■

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