



The Future of Quality & Social Responsibility

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Competiveness

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About the Presenter



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About ASQ

- 62-year-old organization
- ASQ's mission has broadened from factories to all segments of society
- Quality helps manage employees, operations, product quality, and social responsibility
- Learn from the vast body of quality-related knowledge



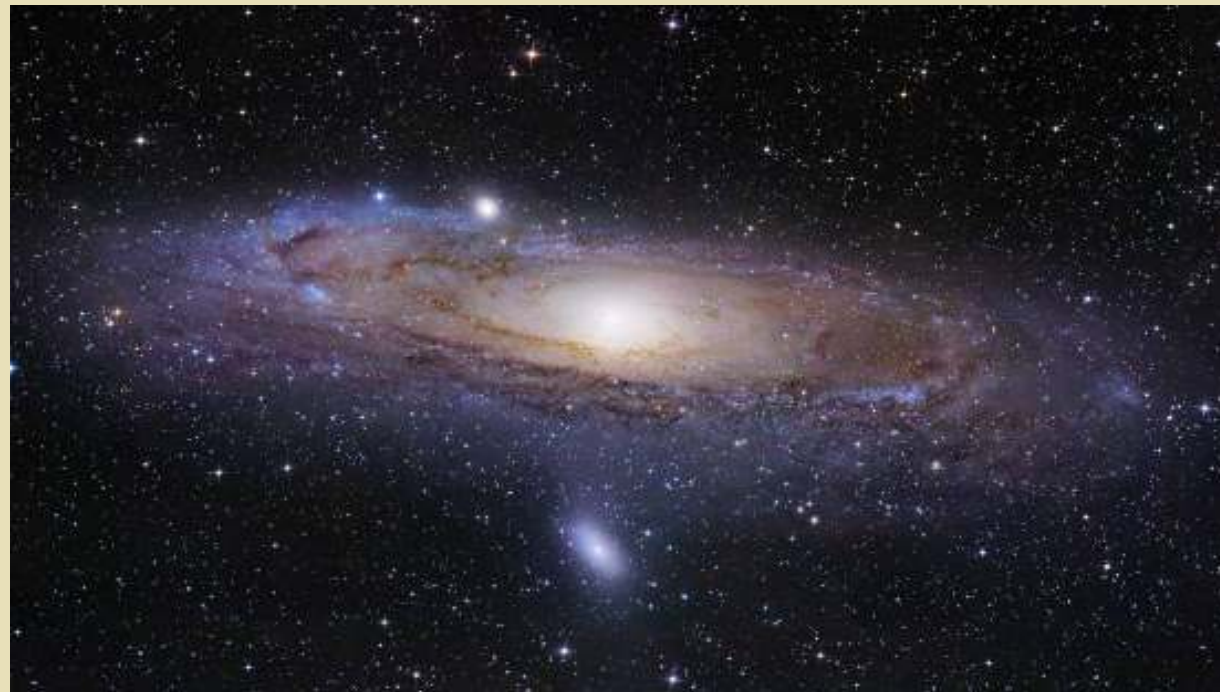
History of Futures Study

1st Study - 1996

3rd Study - 2002

2nd Study - 1999

4th Study - 2005





Three-step process

- Identifying the **key forces** that will shape the future of quality
- Developing **scenarios** of how the forces might unfold
- Considering the possible **implications**



Top Ten Key Forces

1. Globalization
2. Social Responsibility
3. Innovation/ Creativity/ Change
4. Aging Population
5. Innovation/Creativity/ Change/ Value Creation/ Learning Culture/ New Ideas/ Changes Quality



Top Ten Key Forces

6. Healthcare
7. Environmental Concern
8. 21st Century Technology
9. Internet Commerce
10. Customer Expectations



Globalization

- “Globalization influences the competition, the supplier network, the workforces, standards, etc. which are in close connection to quality. Globalization is creating new markets, new producers and new consumers. It is to hope that through globalization the best quality products and services will be the winners.”



Globalization

- “The world is becoming more and more integrated and international connections are as close as a key stroke. Understanding cultures, business practices, methods and innovation will strongly affect quality.”





Globalization

- “Aside from the world competition for resources and need for efficient operation, globalization will force the issue of whether quality can be separated from moral values.....This, as well as environmental challenges, will encourage the need for dealing with social responsibility and how it gets incorporated into quality.”



Social Responsibility





What is Social Responsibility?

People and organizations

–Behaving ethically

–Having sensitivity toward:

- social
- cultural
- economic
- environmental issues





Why be Socially Responsible?

Consumers demand:

- Safe working environments for employees
- Minimal environmental impact from operations
- Clean food processing facilities
- Humane treatment of animals





Why be Socially Responsible?

- 53% of consumers want to buy from a socially responsible company
- 12 % of consumers want corporations to take the lead
- *Excerpted from Environmental Leader.com, October 7, 2007*

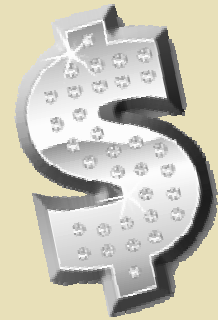




Why be Socially Responsible?

Bottom line results

- GE – Revenue grew from \$6.2 billion to \$10.1 billion
- Miller Brewing – 99% of waste is reused or recycled
- Venture capitalists devote big dollars to green technologies





Community Good Works

- Grant awarded in Porto Alegre to assist with at-risk children and teenagers
- Project uses quality tools during analysis and development of a project to remove children from adverse environments
- PGQP donated time





Conflicting Ratings

- IRRC
- Global Reporting Initiative
- Dow-Jones Sustainability Index
- FTSE
- Many more



One Standard for All

- ISO 26000
 - Implementation will be voluntary
 - Guidance will help define social responsibility
- ASQ administers the U.S. Technical Advisory Group (TAG) on Social Responsibility



ISO 26000

- Assist organizations in addressing SR with respect to:
 - Cultural
 - Societal
 - Environmental/Legal differences
 - Economic development conditions



ISO 26000

- Provide practical guidance related to:
 - Operationalizing SR
 - Identifying and engaging with stakeholders
 - Enhancing credibility of reports and claims made about SR



ISO 26000

- Emphasize performance results and improvement
- Increase confidence and satisfaction among customers and stakeholders



ISO 26000

- Promote common terminology in the SR field
- Broaden awareness of SR
- It is not intended to reduce government's authority to address the SR of organizations



Core SR Issues

- Organizational governance
- Human rights
- Labor practices
- The environment
- Consumer issues
- Community and society





Compliance with Standard

- Voluntary
- Can choose aspects to comply with
- Compliance to all aspects may not be possible



Lean is Green

- Lean manufacturing principles:
 - Eliminate non-value-adding activities
 - Eliminate waste from the business
- Lean enterprise principles:
 - Extend concepts through entire value stream or supply chain



Lean is Green

- Types of Waste:
 - Overproduction
 - Waiting, time in queue
 - Transportation
 - Non-value-adding processes
 - Inventory
 - Motion
 - Costs of quality: scrap, rework, inspection



Lean is Green

- Toyota reduced manufacturing energy consumption by 30% since 2000.



- GM reduced disposal costs by \$12 million.*

*“The Lean and Green Supply Chain,” U.S. Environmental Protection Agency’s Office of Prevention, Pesticides, and Toxic Substances.



Lean is Green

- Proactive management of supplier environmental performance.*
- Eco-efficient manufacturing practices.*

*“The Lean and Green Supply Chain,” U.S. Environmental Protection Agency’s Office of Prevention, Pesticides, and Toxic Substances.



Why be Socially Responsible?

**Social
Responsibility = Competitive
Advantage**



More Information

American Society for Quality

www.asq.org/social-responsibility

Make Good Great®