

Is Quality a Management Matter in Your Company?

A high level of quality awareness is the key to economic success – throughout the entire supply chain. Anyone who believes that we are well positioned with "Made in Germany" should take a closer look. The German industry is in danger of falling behind and losing its quality leadership. At the same time, it has great potential to strengthen and expand its position. This is a challenge for the entrepreneur, because quality is the indicator of entrepreneurial performance.

— by Michael Flunkert

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There is no shortage of problems in the world and in the economy at the moment. Climate change, the global Covid-19 pandemic, and a war in Europe present us with major challenges. The close relations between the economic powers are now under immense political pressure and are leading to drastic changes in international economic relations to the point of incipient deglobalization.

Rising prices, inflation or even the threat of stagflation are the result, accompanied by political failures. Thus, our energy supply is not secured, with dramatic effects on already disrupted supply chains. The situation is exacerbated by supply bottlenecks in almost all industries and high demands on the supply chain – specifically formulated in the Supply Chain Act. Our industry is a high-performance engine that is currently stuttering badly. Who can still devote themselves to a solid corporate strategy when the general conditions are so difficult to calculate and there is a lack of planning certainty?

The entrepreneur. After all, aggravated framework conditions should rather increase our attention than purely make us adjust to new situations. Now there are enough issues that are of entrepreneurial relevance and are the responsibility of the company's management. First and foremost is strategic responsibility, with a focus on long-term orientation and corporate strategy. Taking a look at this is a duty from a business perspective – always accompanied by changing framework conditions. Globalization has shown its dark side, revealing how fragile trust-based cooperation in business is when political stability fades internationally. A strategic reassessment

of dysfunctional supply chains is urgently advised to reduce dependencies and resulting risks.

But the most effective way for entrepreneurs to do this is to address their homegrown problems. And that is where the most powerful criterion for the strength of Germany as a business location comes into play. The promise of quality that we make – the promise that may be fulfilled again and again. It stands for the pursuit of perfection and generates customer confidence in the products and services we offer. For a sustainable company, quality is an elementary component of its corporate strategy – because quality means performance, precision and also innovation. This is how a company can hold its own in the market and find its competitive edge. Our local industry benefits from this in the long term. It is the responsibility of the management to maintain and further develop this.

What Does the World Look Like Today?

Many companies today meet the high demands on product quality. The high quality standard is understood as a duty, failures are avoided and the agreed quality is demonstrably delivered. Today, many companies meet this requirement with a well-organized quality management system – supported in terms of processes by digital solutions. But is this sufficient to meet today's demands? Or more precisely: does it meet the demands of modern and future-oriented corporate management? In most cases, unfortunately, the answer is no. Today, we generally encounter the implementation of quality management in the classic sense. Here, quality requirements are served – according to the requirements of the customer, for example, in order to obtain a necessary certification. This is the understanding of quality as a duty. >

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The entrepreneurial aspiration of a management should be different today. An entrepreneur creatively searches for market opportunities and consistently focuses his corporate strategy on quality and high customer satisfaction. He can be recognized by his approach to the subject of quality – with the claim and goal of acting on the market in the

interests of his customers. He does not only want to meet the expectations of the market with his company. He wants to exceed them and he wants to create new demands. He is looking for the competitive advantage and the unique selling proposition in order to successfully assert himself on the market or to become the market leader. In this way, he finds a quality gain and a knowledge advantage in the result, which paves the way for innovations. This claim seems to be the exception rather than the rule in industry today.

In good corporate management – as described in ISO 9001 – quality is not a compulsory exercise, but the will of good management. Quality thus becomes a management task. And rightly so, because the management is responsible for the quality result anyway. This is exactly how top management can live up to its responsibility and can thus hold every employee accountable. Because quality is the responsibility of ALL employees. This is how the management describes "quality" as a universal motif in all corporate processes. And in the digital age, this is ideally done digitally – not with just any "module", but supported by software that also serves this motif extensively.

Quo Vadis, Entrepreneur?

In the German industry, the topic of quality lingers in the specialist area of quality management. Thus, "quality" is delegated or reduced to a staff position or a department. But the description of a quality policy cannot be delegated. The task of formulating it in writing is the responsibility of the top management at the normative level of a company and is a "duty". The quality policy describes a company's focus on quality in the broadest sense and is part of a mission statement. And the mother of all management standards, ISO 9001, makes it a clear requirement for top management to put it in writing. Is that clear to the top management?

But another question provides more insight. If you take your eyes off the normative obligation – where is the "will" for quality? The written description of the quality policy is certainly not a task to check off in order to make a good impression at certification. It is the will of good management to see quality as a strategic success factor for the company. It is the will to strive for quality and innovation – the key to sustainable corporate success. The concept of quality is no longer limited to the product – it goes far beyond that.

The concept of quality in a modern company encompasses the requirements of the WHOLE organization. It is about the quality of the processes or even the quality of the management, with our demand for sustainable and resource-saving management. Environmental protection is no longer a "problem" for an entrepreneur in today's world, but part of his corporate strategy, part of his success in the market. This applies to all participants in the supply chain. After all, our economy is following the social megatrend of neo-ecology, manifested, for example, in the Supply Chain Act. Quality plays a central role here, because it is an integral part of sustainable operations and a prerequisite for high product, living and environmental quality. Nor are the high requirements for sustainability met by a "department" – because this issue is also part of the quality concept and must be taken into account throughout the entire organization.

Thus, our economic system has long since become a value system. Today, more than ever, we strive to make sense of our actions. This new mindset is the requirement for modern corporate management – the requirement for a modern understanding of quality and elementary for corporate success. For the people involved, this means: the company management needs more proximity to the quality management or the modern quality manager moves much closer to the top management. A modern quality management

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needs the quality manager in teamwork with the top management. Only in this team is it possible to relate the idea of quality to the entire organization and thus make the quality management system the leading element of an integrated management system. In this way, all requirements from the areas of quality, environmental protection, occupational health and safety are recorded in a uniform structure.

We Awaken Our Great Potential

The entrepreneur bears great responsibility and should be aware of the diversity of this, because the demands in such turbulent times do not decrease. On the contrary. Management needs to see the big picture, today more than ever.

With our high awareness of product quality, especially in the German industry, we do not manage to look beyond the end of our nose – from a classic, product-oriented to a modern, comprehensive understanding of quality. And this in a nation that has always prided itself on quality leadership. Given the great importance of the topic of quality, this is on the one hand reprehensible, but on the other hand it shows us what great potential lies dormant in our development. This is NOT the responsibility of the quality manager, this is the responsibility of the company management. This is an elementary part of corporate responsibility, because quality is a matter for the boss. The maturity of a person in top management is also measured by how he describes his quality policy and how he implements it – and this is not exhausted in a well-written



formulation, but is reflected in concrete tasks and actions. This is the path to modern, quality-oriented corporate management,

- which is clearly oriented toward the customer and has service excellence firmly in its sights,
- that implements its high quality standards – also across companies – in a partnership-based cooperation in the supply chain, with the strong synergy of good cooperation with business partners, characterized by more openness and transparency in collaborative processes in the interest of the quality of the finished product,
- with a positive failure culture, less influenced by punishment or penalties, but rather characterized by an open approach to problems, resulting in a real gain in quality and knowledge, with a great added value for innovation and better products,

- and last but not least, comprehensively fulfilling its corporate responsibility in the interests of society, the European site, customers, employees and all interested parties.

We are moving along well-trodden paths and must change. We have to allow change, we have to initiate change. We urgently need the path to modern corporate management with modern methods for a modern world in order to position ourselves strongly for the future, especially in difficult times.

For Michael Flunkert, changes in quality awareness are a prerequisite for modern, quality-oriented corporate management.

