

# Grade 9- BUSINESS STUDIES

## CHAPTER: 19. Achieving Quality Production

- Quality – to produce a good or a service which meets customer expectations
- Quality is important for businesses because:
  - o It establishes brand image
  - o It builds brand loyalty
  - o It maintains a good reputation
  - o It will help to increase sales
  - o Attracts more and new customers
- If quality is not maintained, businesses will:
  - o Lose customers to other brands / competitors
  - o Have to replace faulty products or repeat poor service which raises costs for business
  - o Have a bad reputation because people who had bad experiences will tell other people, etc. Leads to lower sales & revenue
- **Quality Control** – Checking for quality at the end of the production process, whether it is a product or a service.
  - Quality control is a traditional way to make sure that products leave the factories with no defects
  - The jobs of people in quality control departments are to take samples at regular intervals to check for errors.
  - If errors are found, the whole batch of production might have to be redone.
  - Their job is also to prevent any production errors before they happen during production, which will lead to money loss
  - Sometimes, businesses bring a mystery customer to test out the service to check if the quality is as expected
- Advantages of Quality Control:
  - o Eliminates faults/errors before customer receives product or service
  - o Less training is required for the workers

• Drawbacks of Quality Control:

- o Expensive, as employees need to be paid to check the product or service
- o Identifies the fault but not how and why it occurred so it is difficult to remove the problem
- o Increased costs if products have to be scrapped or reworked or service repeated

• **Quality Assurance** –checking for the quality standards throughout the production process

• Advantages of Quality Assurance:

- o Eliminates faults/errors before customer receives product or service
- o Fewer customer complaints
- o Reduced costs if products don't have to be scrapped or reworked or service repeated

• Drawbacks of Quality Assurance:

- o Expensive to train employees to check products
- o Relies on employees following instructions of the standards set by company

• **Total Quality Management (TQM)** – the continuous improvement of products and processes by focusing on quality at each stage of production

- Total quality management is used by many companies
- It tries to “get it right the first time” and have no defects
- It focuses on ensuring 100% that the customer is always satisfied. Customer is not just the final user, it also includes other people and departments within the business
- This means that quality needs to be maintained throughout the business and no faults should occur.

• Advantages of total quality management:

- o Quality is built into each part of the production. It becomes a habit for the employees
- o Eliminates virtually all faults/errors before the customers receives.
- o No customer complaints so brand image is improved
- o Waste is removed and efficiency increases which means less money is wasted (higher profits)

• Drawbacks of total quality management

- o very expensive to train employees to check the product or service at every stage of production.
- o relies on employees following the ideology of TQM.