BLUEJAY CONSTRUCTION
QUALITY MANAGEMENT STATEMENT

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1. Vision, Values and Mission Statement

Vision

A vision is a highly personal thing - is often comes from one person, rather than being the product of a consultation exercise.

It's the kind of passionate, vibrant idea that we can enthuse others with. To be truly successful, a vision has to be reflected and communicated in what we do and way we do it.

If we don't have a vision for our business, it may be time to stand back for a few minutes and think. A powerful vision:

- is a clear and passionate statement or picture that shows people how we see the future
- is personal - if we don't believe in it, neither will others
- can be adapted - even the strongest visions may have to change over time or in response to changing market conditions.

Values

Values are what we stand for - they are a set of guiding principles by which we operate. Values are also the building blocks for developing relationships with our people, suppliers and customers.

The clearer we are about our values and the better they are communicated and understood, the less time we are going to spend putting in place procedures and controls to make sure things happen in the way we want them to.

The simplest way to draw up a set of values is to speak to our staff, clients and suppliers and ask for their views. Once the survey is complete, see whether there are any common values.

Mission Statement

A mission is a cause that unites and inspires a group of people into action. In simple terms, a **mission statement** answers the question: why are we in business?

Our **mission statement** should:

- describe the purpose of our business
- identify what our business defines as success
- inform and inspire employees
- define what success looks like.

A mission should encourage ownership, passion and commitment. The language of a mission needs to personalise our cause - concentrate on using 'we', 'we are', 'we do'. Most of all, a mission is a public statement that people can communicate and get behind.

For this to happen, it needs to be:

- succinct - so it is understandable to everyone
- focused - on the customer and specific to our type of business
- directional - so it explains what we are trying to accomplish
- active - 'deliver high-quality services' not 'the delivery of services of high quality'
- relevant - to everyone in the organisation.

Step 2: Setting Objectives And Targets

Once we have an understanding of what our business is about, we need to set objectives that are linked to our vision and mission.

This involves:

- defining a set of workable objectives
- balancing financial and non-financial considerations
- deciding how to track and measure progress against objectives.

Objectives

Successful business objectives need to be clear, measurable and have a set time frame. They should also cover a range of areas, including:

- Finance - for example improving profit, sales or reducing costs or losses.
- Customers - for example, increasing customer satisfaction, choice, value.
- Internal results - for example, increasing the number of products developed or speeding up the delivery time to customers.
- Growth, learning and innovation - for example, increasing access to knowledge sources, developing organisational skill, improving access to information.

When developing objectives, refer back to our vision, mission and values. Ask ourself:

- Does this objective help us achieve the vision and mission of the business?
- Will achieving the objective ultimately add value to the stakeholders of the business?
- Will this objective be measurable?
- Does the person responsible for delivering the objective know what it means and what the deliverables are?

Measurement

Business performance measurement has changed over the last decade. Managers are now measuring those things that influence financial performance, as well as the financial performance itself. This allows decisions to be made long before any financial impact can be recorded.

Producing business measures is relatively easy. However, defining ones which genuinely gauge what we aim to improve is much more difficult. Ask ourselves:

- What is the purpose of the measure?
- Who is going to act on the measure once the information is available?
- What are they going to do with the knowledge gained from the measure?
- Where is the data going to come from?
- Who is going to collect the data?
- How often are they going to collect the data?
- How often will the data be reviewed?
- How much time is it going to take to collect the data - is it worth it?

Step 3: Benchmarking And Assessing Needs

Central to quality management is the idea that we can't improve what we can't measure.

Benchmarking

Measurement and data collection is key to improving business performance. Before we try to reshape our business, we need to collect at least some data to get an idea of the overall state of the business.

Some key measurements for benchmarking include:

- Not Right First Time (NRFT) - measures a product's ability to match a specification and is expressed in 'number of defect parts per million'.
- Total Training Days/Employees (%) - measures a business's level of training investment.
- Graduates/Employees (%) - indicates level qualified skills in an organisation.
- R&D Expenditure/Turnover (%) - this is an indication of the business's investment in the future.
- Marketing Expenditure/Turnover (%) - this is an indication of the business's investment in its marketing activity.
- Value Of Supplies Delivered On Time/Value Of Bought In Materials (%) - this measures the ability of a business's suppliers to deliver on time.

If we currently collect minimal data, or just financial data, then best practice would be to look at trying to develop a process for performance measurement as a key management tool.

Stakeholder needs

For the purposes of this document, we're defining stakeholders simply as the people we need to keep happy to be successful. Key stakeholders include employees, customers, suppliers and investors.

We can learn a lot by doing a survey of these groups and asking them to identify the things that matter most to them.

Step 4: Process Assessment

Not every process is of equal importance to our business, so we need to understand which ones are critical to helping our business improve. Process assessment will help us:

- identify and evaluate current processes
- draw up critical success factors for our business
- assess the impact of current processes and our ability to meet these critical success factors.

Types of processes

Typically business processes fall into two distinct categories: 'operating processes' and 'management support processes'.

- Operating processes are essentially those processes that actually 'add value' to the product/service. They cover areas like: marketing; sales; customer service; strategy; R&D; and production.
- Management support processes are those processes required to keep the operating processes running as effectively and efficiently as possible. They cover areas like: managing suppliers; people information technologies; internal communications; and financial management.

Critical Success Factors (CSFs)

CSFs are areas of the business that have to perform well for business targets and objectives to be met.

CSFs are normally identified within such areas as production processes, employee and organisational skills, functions, techniques and technologies.

If we don't have a list of CSFs for our business then we should spend some time analysing the relationships between the CSFs and our business processes.

To make our CSFs manageable, best practice is to limit ourselves to three CSFs per objective and weight them according to their impact on each objective.

Step 5: Process Improvement

Where to begin?

In most cases it isn't practical or necessary to change everything about the way we work.

We can achieve an enormous amount through carefully targeted changes.

Process improvement works best when we:

- perform a cost/benefit analysis of the impact of process changes
- understand how to map and change processes
- measure, track and refine the changes.

Process mapping

A 'process map' describes a process in terms of its key elements, and identifies the parties that are involved at each stage of the process. This is an extremely valuable tool for businesses - before we can change something we need to understand it.

Typically a process map will include:

- who 'owns' the process - the person who is responsible for the successful operation of the process as a whole
- where it starts and ends
- what its inputs and outputs are
- what activities are contained in the process and how they interact with each other.

Before we can map our process, we will need to identify:

- Critical activities - these are the measurable activities that effect things like quality, cost, and timing.
- Internal business controls - like policies, procedures and management review.
- External business controls - such as customer specifications, legislation and industry regulations.
- Resources - this includes people, equipment, skills and experience.

Next, we should list which measures are in place to monitor performance of the process. These might cover:

- Effectiveness - such as error rate, accuracy, service levels or schedule adherence.
- Efficiency - such as cost per transaction, time per activity and cost per activity.
- Adaptability - such as responsiveness and changeover time.

Once we have done all of this, we should have a good understanding of a particular process and so be in a position to analyse it and pick out its deficiencies.

Process analysis

After we've mapped a process, process analysis will help us to identify the problems and flaws in it - the so-called 'deficiencies'.

Each performance deficiency needs to be assessed in terms of:

- how difficult it is to remove
- the benefit of removing it - estimated in terms of time saved, money saved, opportunities created, etc.
- the cost of removing it - estimated in terms of cost of materials, cost of manpower, cost of lost sales, cost of disruption, etc.
- the disruption removing it will cause - both during its removal and after its removal.

At this point, we will have created a resource of information showing how our business works, what it needs to do to succeed and where changes need to be made. The final stage before implementing these changes is getting systems in place to monitor our process improvements.

Tracking progress

It's vital that we regularly measure and evaluate any changes we make to our business to check they're working. Ideally, our monitoring procedures should:

- make someone working on the process responsible for collecting performance data
- issue targets for each process improvement project
- include how we are going to present the data collected so that it can be easily understood
- involve regular review of the process while the improvements are being implemented
- include a more detailed review of the process when it is stable