

- Establishes a common four-step approach to benchmarking
  - Encourages all employees to be aware of changing markets
  - Strong linkage to performance excellence process and DMAIC
4. Behaviors and leadership
- Reinforces customer focus
  - Expands interactive skills to include more team effectiveness
  - Promotes faster decision making and introduces new meeting tool

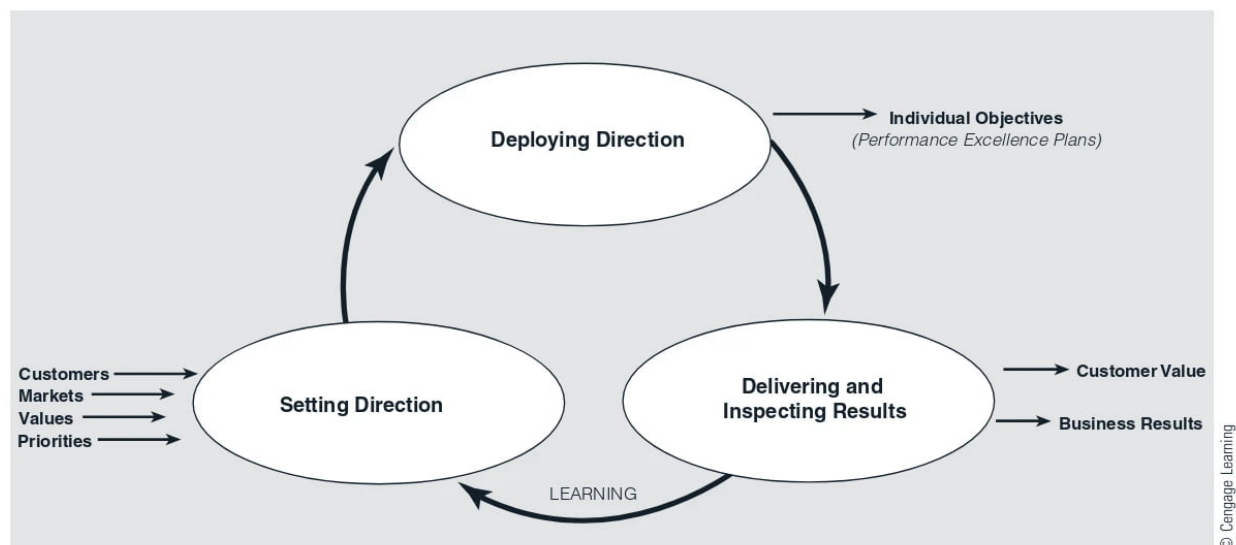
The heart of Xerox's Lean Six Sigma is the performance excellence process, illustrated in Figure 1.6. It consists of three phases: setting direction, deploying direction, and delivering and inspecting results. It starts at the top of the organization—even the chair and CEO has an individual performance excellence plan with objectives that are aligned with organization goals and measures and targets for assessment. This approach provides clear communication of direction and accountability for objectives. A structured approach is used to prioritize and select projects that have high benefits relative to the effort involved in accomplishing them. Statistical methods, lean work flow methods, and other process management skills are used to drive improvement from

a factual, objective basis, driven by the DMAIC methodology.

Market trends and benchmarking help provide an external perspective required to lead the market with innovative products, services, and solutions and add value to the customer experience. This component encourages all people to share information and knowledge that enable changes in the best interest of customers and shareholders. Finally, behaviors and leadership reinforce customer-focused behaviors, based on the principle that "Quality is the responsibility of every Xerox employee."

In 2003, Xerox trained more than 1,000 senior leaders across the company and communicated this business approach, the key differences from their quality legacy, and expectations to every employee, and rapidly moved Lean Six Sigma concepts from manufacturing and supply chain into all business areas. After Lean Six Sigma became internalized within Xerox, the company began to leverage its expertise through consulting services to help other companies improve. One application was at the Brooklyn Public Library. Using Lean Six Sigma, the Xerox Global Services team led library administrators through a fact-based analysis, seeking out core processes, making them controllable, and then automating them, resulting in a comprehensive Patron

**FIGURE 1.6** Xerox Performance Excellence Process



Access Management system that effectively merged people, processes, and technology to provide better service and free up time for the library staff.

### Key Issues for Discussion

1. Contrast Leadership for Quality and Lean Six Sigma as quality initiatives for Xerox. How did their motivations differ? What differences or similarities are evident in the principles behind these initiatives and the way in which they were implemented?
2. What lessons might this experience—particularly in responding to the new crisis—have for other organizations?
3. Discuss the meaning of “Quality is a race without a finish line.” What is its significance to Xerox, or to any organization?

## QUALITY *in* PRACTICE

### Quality Practices in Modern China

In this chapter, we noted that many of today’s quality approaches evolved in ancient China. Jack Pompeo, a telecommunications professional who relocated to lead quality initiatives at Huawei Technologies, provides a first-hand look at quality in modern China.<sup>41</sup>

Quality processes today continue to be influenced by remnants of ancient policies and practices established 3,000 years ago. China continues to exercise strong centralized oversight over end-to-end production processes, extending from the purchase of incoming materials and in-process testing through final acceptances and customer care. Today’s Chinese quality systems strongly emphasize tools, methodology and measurement, and place great importance on key quality management processes, including self-inspection, traceability, and recruiting and training of workers. However, even in light of recent and highly-publicized recalls, China’s population is adapting and learning rapidly and is hungry for best practices and new challenges.

Today, China is seeking to introduce new ideas like total quality management and team empowerment, which have taken Western society decades to adapt and integrate into business management, in a fraction of the time. China is striving to improve its education, health, living standards, and, most important, its manufactured consumer products, and is embracing modern quality management philosophies. In just the past few years, Chinese manufacturers have adopted a wide array of quality tools and techniques. This has created a clash in China’s desire to maintain balance between a centuries-old culture and the demands placed on the nation by technological progress.

China has an official policy to grow the economy about 8 percent annually, the rate state officials calculate would create the 15 million new jobs each year needed to absorb new entrants into the labor market and discards from the shrinking state sector. Every policy is calibrated to ensure economic output continues to expand at this rapid pace. Like businesses in the rest of the world, Chinese organizations are driven by numbers. They identify gaps in their quality management systems and are closing them quickly. They understand that they have a narrow window of opportunity to transform themselves from low cost producers to competitive and high quality global leaders.

Huawei Technologies is one of China’s largest telecommunications manufacturers, with annual sales of more than \$10 billion. The company is located in Shenzhen, in the southern portion of the Guangdong Province on the eastern shore of the Pearl River Delta, neighboring Hong Kong to the south. Huawei’s products provide reliable telecom services to more than 100 countries. But the company’s goal is not to be just another telecom manufacturer; it is to be the quality leader in the telecommunications industry. Huawei’s senior management recently declared the company’s desire to be the “Toyota of the telecom industry.” To achieve this, Huawei has studied Western telecom manufacturing in great detail and has invested heavily in the latest tools and technology. For example, Huawei uses specific competency models and qualifications for each job role and level; to be promoted, an employee must show they are meeting the competency requirements for quality.<sup>42</sup> It is constantly looking for better tools and techniques that