

## Topic 2.3.3 Managing Quality

### Key Vocabulary

**Quality control** – putting measures in place to check that the customer receives an acceptable level of quality

**Quality assurance** – a system based on preventing quality problems by involving all staff within the production team to understand their role in maintaining highest quality standards

**Warranty** – the guarantee by a producer that it will repair any faults in a product for a specific period of time

### Core Knowledge

**Quality** is about meeting a minimum standard to satisfy customer expectations

#### **Quality control**

- Finished goods are inspected
- Checks for defects rather than preventing them
- Costly as it can lead to a high level of wastage
- Workers less involved in process so may be less motivated

#### **Quality assurance**

- Quality is checked at every stage in the production process – more time consuming, but defective products are dismissed before being completed
- Aims to prevent defects
- Staff need training – costly in short term; more motivating in long term

#### **Importance**

- Lowers costs through less wastage
- As production costs lower, profit margins increase
- Quality can improve reputation and build brand loyalty leading to a competitive advantage

### Don't be a "man on the street"

- Remember quality is important for goods as well as services
- Don't confuse quality control and quality assurance
- Quality assurance can not be put in place quickly – staff need to be trained and it takes time to be embedded into the culture of the business



### Wider Business World

**Gordon Ramsey** – in his restaurant the Head Chef will check every plate of food before it is sent out

**Hotels** – have a check list for cleaners to ensure that all rooms are same standard



### Synoptic Links

**Motivation** – motivated staff are more likely to deliver a high-quality service

**Customer needs** – quality is one of the needs of customers

**Promotion** – quality can be used as a promotion tool

**Consumer law** – products must be 'fit for purpose'; a minimum quality measure

**Technology** – led to an increase in reviews online, which impacts a firm's reputation