

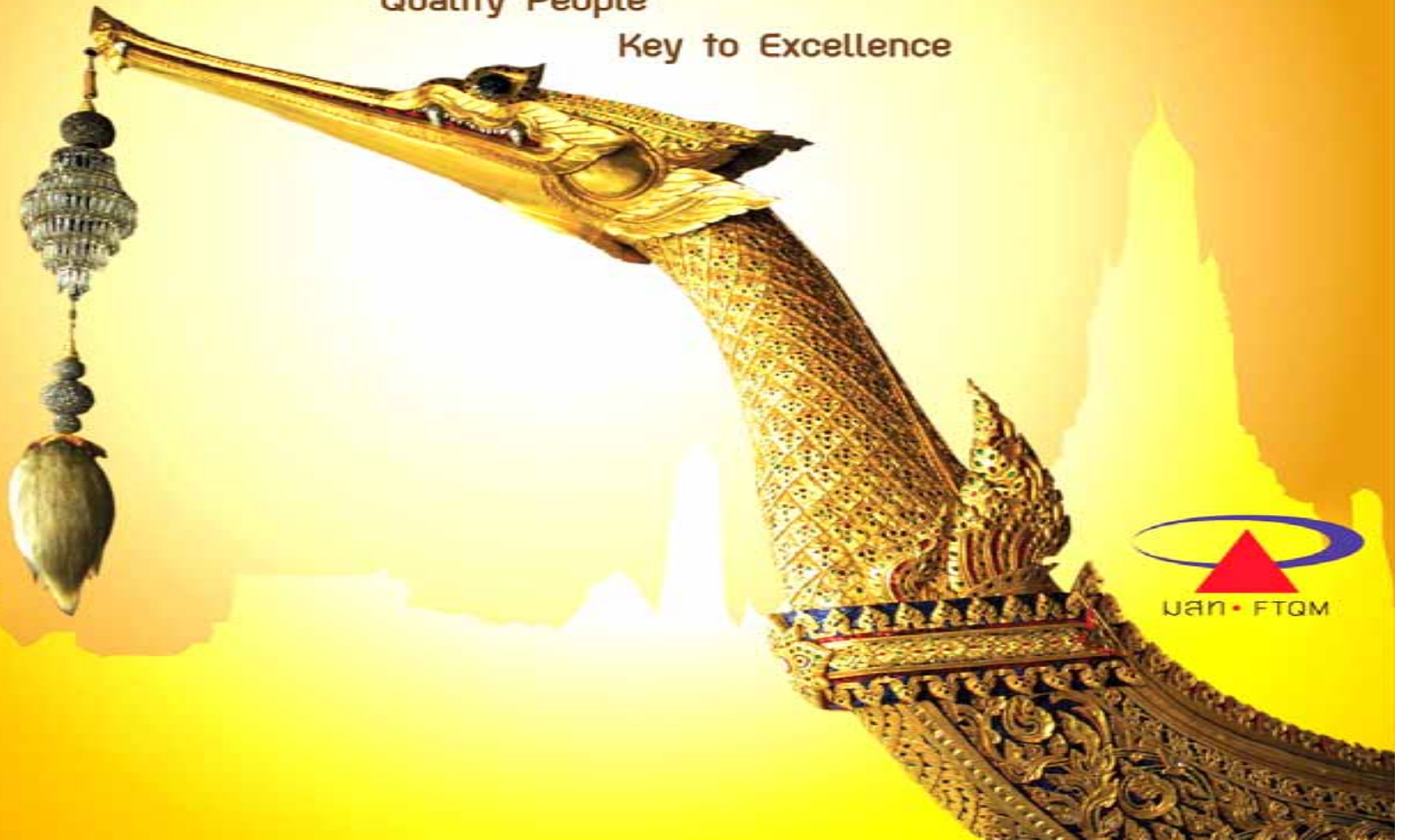


6th ANQ Congress & The 9th Symposium on TQM - Best Practices in Thailand

Swissôtel Le Concorde, Bangkok, Thailand
October 28th - 31st, 2008



Quality People
Key to Excellence





6th ANQ Congress

28th-31st October 2008

Bangkok, Thailand



Session : **Key Note Address 6**

Topic : “Quality Management & Changing Environment”
- What must ANQ Do?

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Organization : Chairman and Managing Director - TQM and T4T

Former President - ISQ

Education : “Graduate in Mechanical Engineering”



QUALITY MANAGEMENT AND THE CHANGING ENVIRONMENT WHAT MUST ANQ DO?



**Sawasdee
Krub**

**KEYNOTE ADDRESS
AT 6TH ANQ CONGRESS
ON 30 OCTOBER 2008**

**By: Mr. Janak Mehta
Chairperson Elect – ANQ; Former President – ISQ
Chairman – TQMI & T4T**

May all be happy
May all be healthy
May all see auspiciousness
May none suffer

Sarve Bhavantu Sukhinah

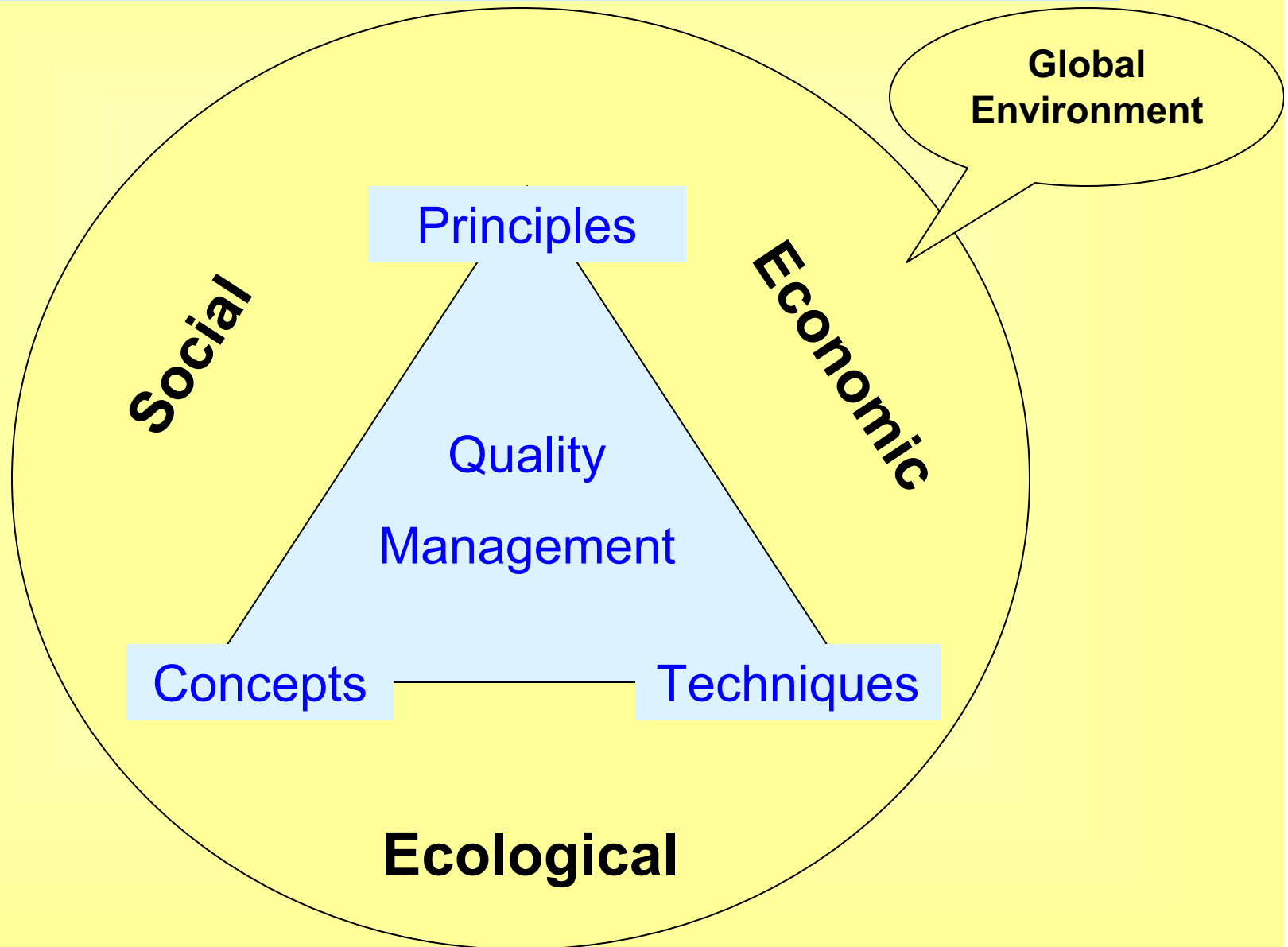
Sarve Santu Niraamayaah

Sarve Bhadraani Pashyantu

Maa-kashchit dukha-bhak bhavet

- Interrelationship between Global Environment and Quality Management
- Situation Analyses
- Issues current and future
- Model of quality management
- New model of Quality Management based on the ANQ Way

Interrelationship between Global Environment and Quality Management



Over the last century,
particularly since 1950's
Quality Management has evolved
with the changing socio-economic
environment around the world

Quality Management:

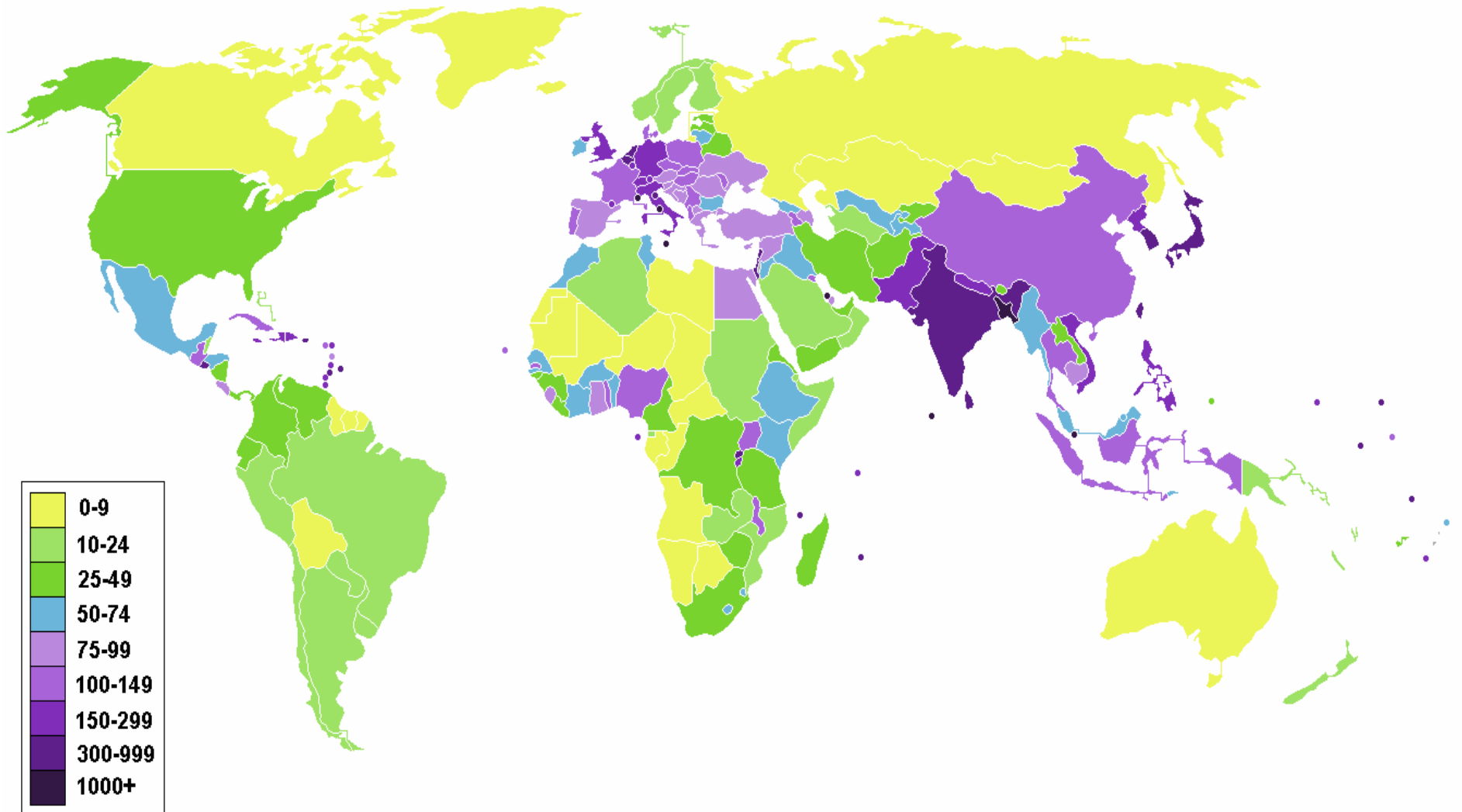
- Principles are better understood and followed
- Concepts have evolved in the context of changes
- New methods and techniques have been developed and old ones redeployed to meet the emerging needs

Conversely Quality Management has positively influenced the socio economic environment particularly:

- Shareholder value
- Customer satisfaction
- Waste reduction
- Quality of life

**Socio – Economic
Changes in
The Global Environment**

Population Density in the Year 2000



Total Population of the World by Decade, 1950–2050 (historical and projected)

Year	Total world population (mid-year figures)	Ten-year growth rate (%)
1776	1,000,000,000	
1950	2,556,000,053	18.9%
1960	3,039,451,023	22.0
1970	3,706,618,163	20.2
1980	4,453,831,714	18.5
1990	5,278,639,789	15.2
2000	6,082,966,429	12.6
2010 ¹	6,848,932,929	10.7
2020 ¹	7,584,821,144	8.7
2030 ¹	8,246,619,341	7.3
2040 ¹	8,850,045,889	5.6
2050 ¹	9,346,399,468	—

Industrial revolution – Focused on manufacturing

- Transfer of wealth from East to West i.e. to Europe followed by USA
- Resulting in unprecedented prosperity in those regions
- Prosperity in Asia & Africa declined; leading to poverty & disease.

- Massive reconstruction after the War led to economic prosperity in West
- In East: Japan led the way in Improvement; Asian Tigers followed
- Healthcare improvement & reduction in mortality led to rapid population growth,
- Disparity in living standards increased

Source: US Census Bureau – International Data Base

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Since 1990's: Information revolution, triple convergence & globalization of trade has contributed to:

- Improvement in Earning capacity and consumption in developing countries Particularly China & India

- Realization is growing that current consumption levels are not sustainable
- Earth's resources are depleting
- Damage to environment is enormous
- Population is growing
- Consequences could be disastrous for everyone

Source: US Census Bureau – International Data Base

Estimated Increase in consumption rate over next 12 years							
	Population in Billions		Per capita consumption rate		Consumption Rate *		% Increase in consumption rate
	2007	2020	2007	2020	2007	2020	
Developed world	1	1	32	32	32.0	32	0.0
China	1.3	1.5	3	20	3.9	23.1	491.7
India	1.1	1.3	2	15	2.2	17.7	705.8
Others	3.1	3.8	1.5	10	4.7	12.3	163.6
Total	6.5	7.6			42.8	85.1	99.0

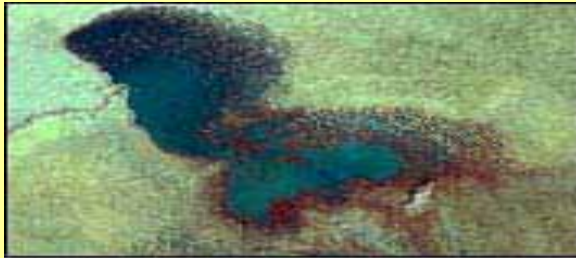
Source: Jared Diamond, Geographer & Historian; Essay in NY Times (January 2, 2007)

Over next 12 years expected growth:
 In world population is 1 Billion
 In Middle Class is 1.8 Billion

* Considering increase in population

Need double the resources?

Water Bodies: Lake Chad, Africa; 20% of what it used to be



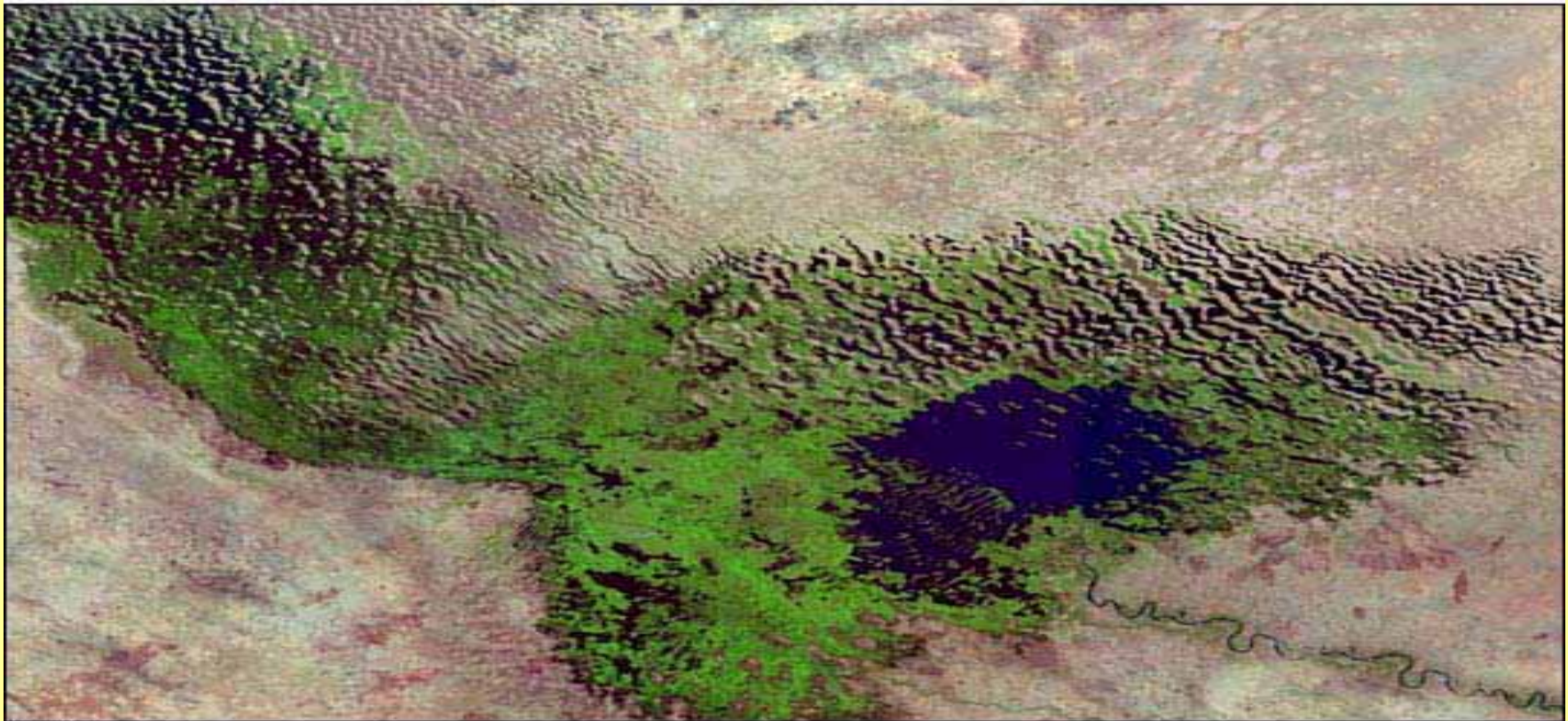
1973



1987



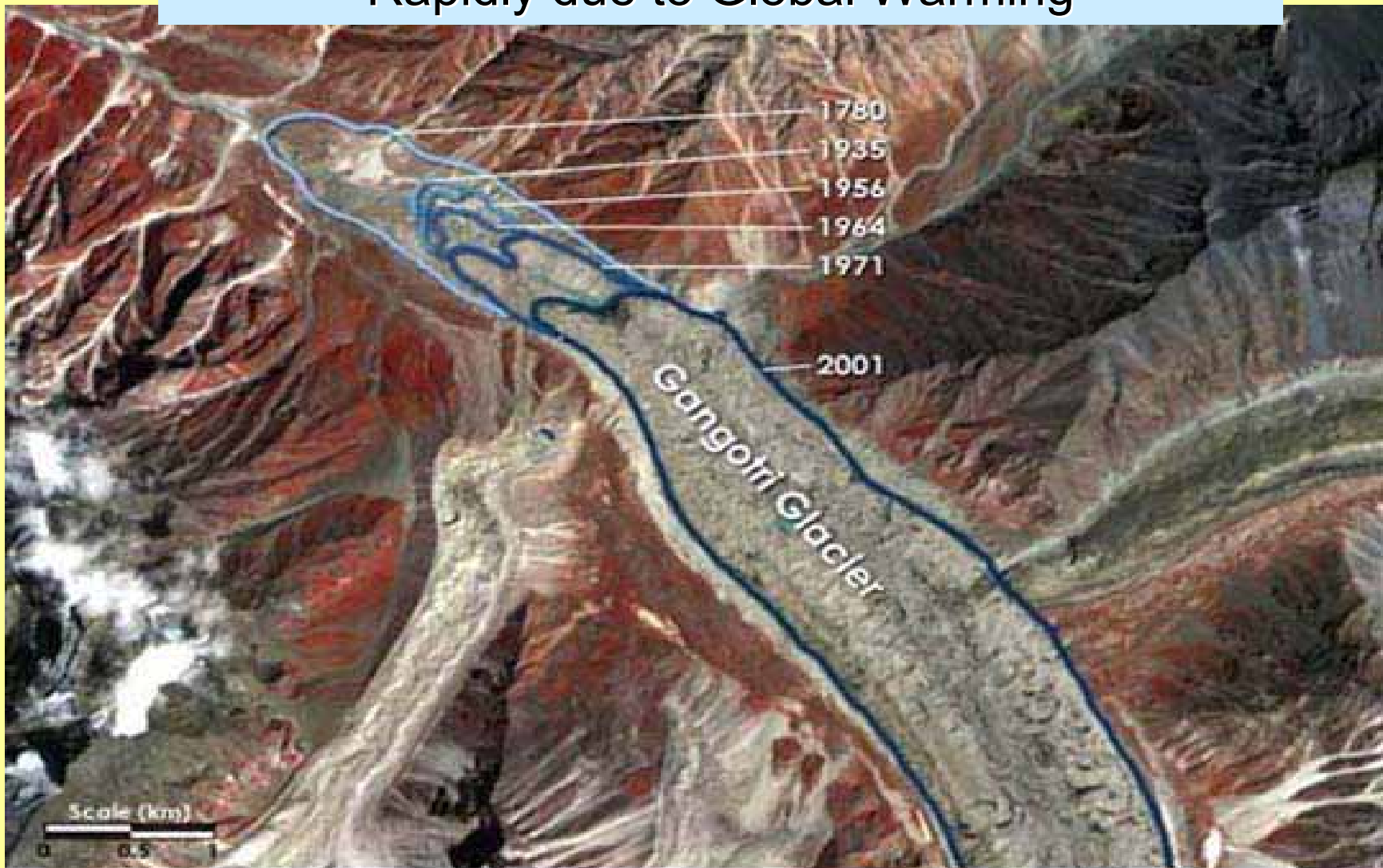
1997



2001

Food shortage; livelihood; poverty; wars amongst four nations

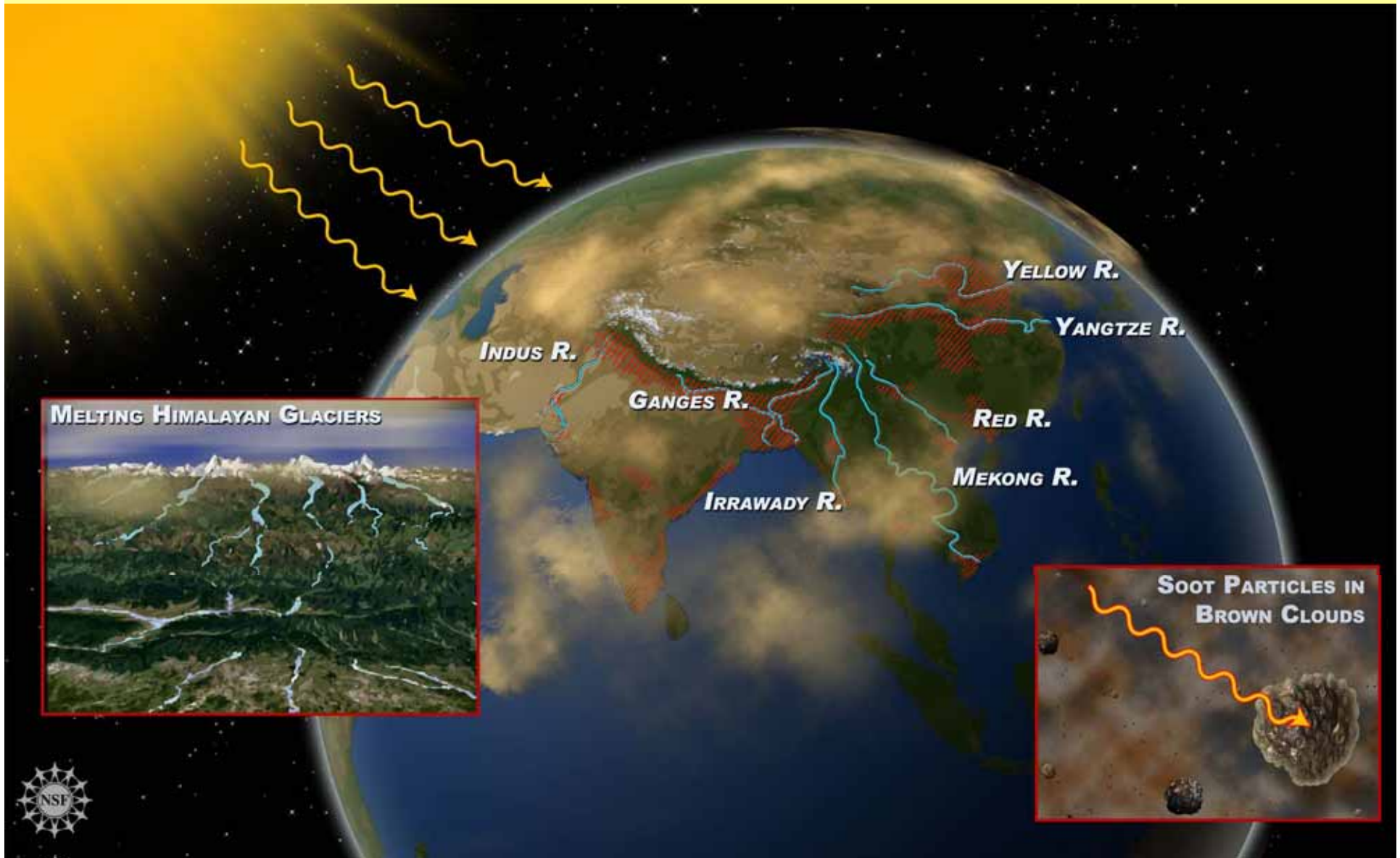
Glaciers: Gangotri Glacier, Himalayas; Melting Rapidly due to Global Warming



GANGOTRI GLACIER - CENTRAL HIMALYAS

Causing: Floods; silting; loss of livelihood; shortage of water; poverty

Global Warming; Rising Sea Levels; Accompanying land loss & human misery



Contributed by people in the form of harmful impact of human activity. Leading to:

Global warming

Disease

Degradation of forest

Pollution of water

Degradation of land

Exhaustion of non renewable resources

Deadening of the Ocean Zones

Evidence of the Changes in the
Global Environment and
its Unfavorable Impact on
the Society is mounting
Like never before

Current Economic / Financial
System has broken leading to
hardship for many people around
the world

The primary causes attributed are:

- Short term focus on shareholder wealth
- Greed for quick money
- Extreme focus on consumption
- Lack of focus on future generations
- Concept of fittest to survive
- Competition rather than cooperation
- Optimization of individual components and not the system

**Earth and Ecosystem is not considered part of
The current economic / business system / model**

Bulk of the growth is /
will be in poor countries

Large concentration of
young people

Substantial increase in need for resources like
Food; Water; Energy; Minerals; Forests

Where would the 2.3 times the current resources come from?

If starved of basic needs:
Food, Health, Housing, Energy, Education, Employment

May lead to:
Violence, Civil Unrest And Extremism

Current Issues and Anticipated Problems

The current problems are due to the current model and current methods of management including quality management.

Doing more of the same will only accentuate the problem.

The current model and methods of management including Quality Management have evolved over the last two hundred years since the advent of Industrial Revolution resulting in substantial improvement in the quality of life for the people. Europe and subsequently USA and Japan provided the lead

Most countries tried to emulate the same leading to enhancement of GDP and prosperity in terms of per capita income. Increasing competition for depleting resources

This model seems good if the:

- Resources are inexhaustible
- Number of people benefiting are limited
- Harmful impact on future generations and the ecology is ignored

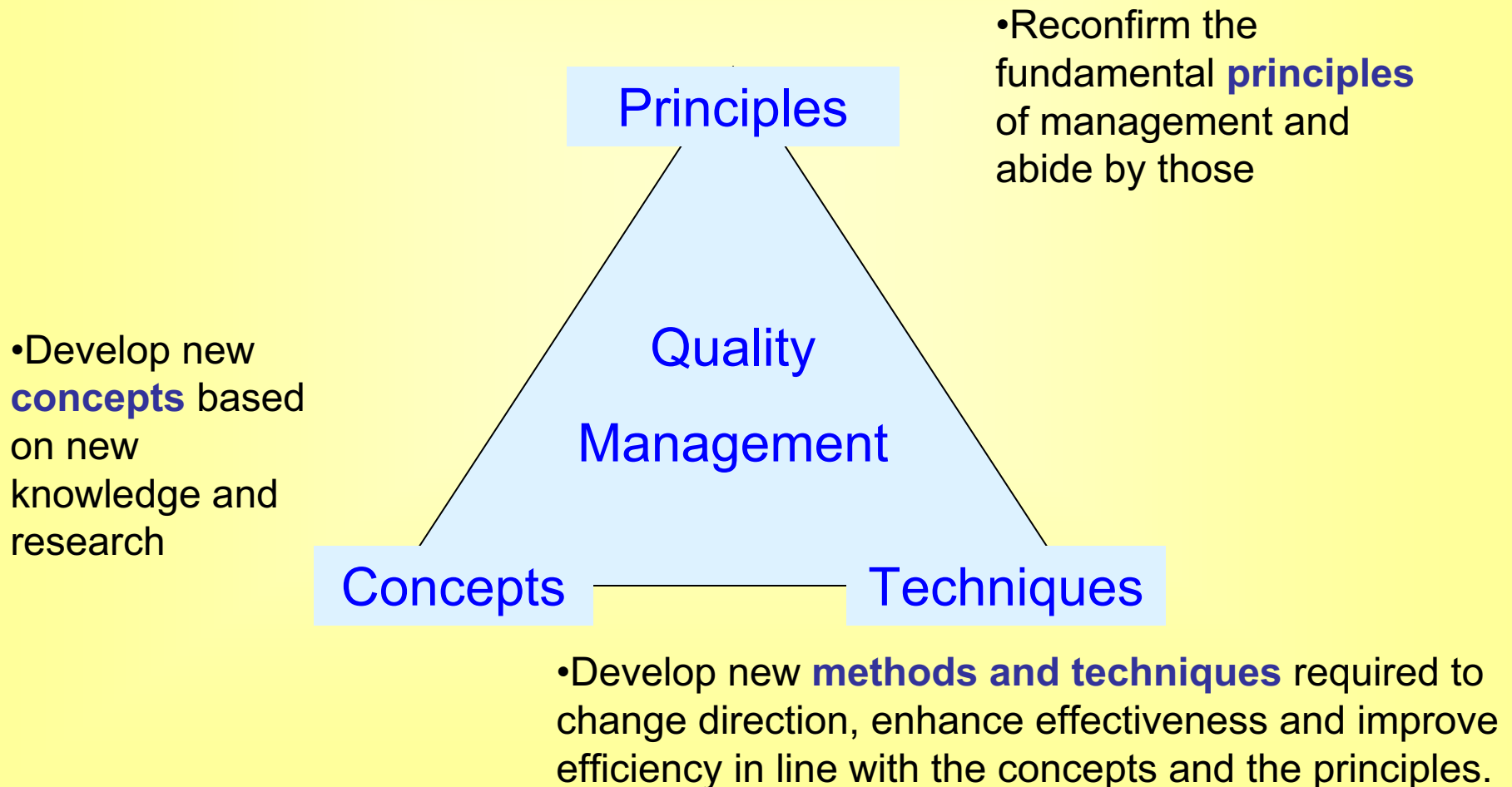
Need a new paradigm on quality management

Bulk of the impact is expected to be felt in Asia.

Since Asian countries are in the process of rebuilding its physical, economic and social infrastructure can we find another way instead of following a model that may have outlived its life? The needs are also different due to demography and heterogeneity with over 60% of the World's population.

Obviously for the new model to succeed cooperation of all the societies is required. Europe, America and Africa have to make an important contribution.

The purpose, definition and scope of quality management need to be redefined encompassing other functions that have so far been on fringes.



May be we begin with the ANQ Way that was developed with good deal of effort in 2003 to address many of these issues that were anticipated.

- Let us see its relevance
- Improve where required
- Implement in a focused way
- Check effect
- Modify and improve.

In the following slides those aspects of the ANQ Way that have relevance to the current issues and anticipated problems are given in blue letters.

ANQ WAY

Various regions of Asia form Asian Network for Quality with the Goal of contributing to **creativity, integration, prosperity and quality of human life** in Asia through the Strategy based on **constancy of purpose, knowledge creation, voluntary spirit and systems approach** to improvement; living the Asian Way of **harmony in diversity, mutual respect and austerity**; following Core Values based on **honesty, flexibility and self-control**.

The reasons for existence of ANQ:

Quality of Human Life – **Not Material**

- live with **dignity**
- Balance in fulfilling physical, **emotional, intellectual and self-actualization needs**
- In **harmony with nature.**

Prosperity – **Not Short term profits**

- Prosperity of not only the current generation but also leaving a **legacy for the future generations**
- Focus on material, **social and environmental** issues;
- **Limiting consumption** of abundant **natural resources** that may not be easy to renew;
- **Limiting damage to the environment that can be restored through natural activity.**

The reasons for existence of ANQ:

Uniqueness, Integration and Inter-dependence – **Not improving averages**

- Integration of various elements within the society and amongst societies respecting uniqueness
- Harnessing the power of **inter-dependence** thereby
- **Reducing the disparities** while **enhancing prosperity for all members.**

3C's – Customer Satisfaction through **Competitiveness** and **Creativity** – **Not Self**

- Developing **creativity of people**
- **Competitiveness of the regions** that would lead to
- **Satisfaction of customers**

The way to achieve the goals:

Constancy of Purpose – **Not short term gains, opportunistic**

- Focus on the **long term purpose** to provide constancy while
- Taking care of the short-term needs.

System Approach for Improvement – **Not individual components**

- Use of **systematic and scientific methods** for breakthrough and continuous improvement through knowledge sharing.

The way to achieve the goals:

Knowledge Development for Enriching Inherent Intelligence

- Develop network for knowledge development amongst members for advancement of science & technology
- **Research and development of philosophy, theory, methodology and application in the field of quality and quality management;**
- **Supplement the inherent intelligence** of the people of the region to achieve ANQ Goals.

Integrity in Performance and Voluntary Participation – **Not performance based reward**

- Develop an environment that encourages **voluntary participation** in fact based management that leads to
- **Integrity in performance.**

Typical attributes of Asian culture that are commonly displayed and are distinct from those of other cultures:

Harmony in Diversity – **Not exploitation of limited resources**

- Working in **harmony with nature** and amongst each other, sharing common interests; while
- **Respecting the diversity of language, culture, beliefs and living habits of different people.**
- Creating a balance between the needs of the various stakeholders **and ecological systems.**

Mutual Respect and Compassion – **Not individual gain**

- Mutual learning and knowledge sharing
- Respecting each others **thoughts, beliefs and actions;**
- Compassion towards others **through kindness, empathy and sympathy;**
- **Warm hearted** hospitality

Typical attributes of Asian culture that are commonly displayed and are distinct from those of other cultures:

Austerity and Simple Living – Not consumerism for conspicuous consumption

- Austere and simple living
- **Making do with what we have**
- **Living within our means**

Effective and Efficient Use of Abundant Resources – Not wasteful consumption

- **Effective and efficient utilization of resources** even when in abundance, particularly the people;
- **Eliminating waste** of all kind through a **habit of saving and sharing.**

Values are the basic beliefs that govern the behavior and the actions. If these are in consonance with natural laws the long-term prosperity can be achieved:

Honesty and Sincerity – **Not selfish gains**

- To **follow the ANQ way** even in face of adverse circumstances.
- The courage and will power to **stand up to our ideals and convictions in the face of all challenges.**
- **Practice what we preach.**

Flexibility and Adaptability – **Not being fixed to old paradigms**

- Ability of being able to **accommodate the diverse needs** in a given situation
- To **create harmony without sacrificing the long-term purpose;**
- **Flexibility in thinking,** behavior and action while
- Responding with **agility & speed.**

Values are the basic beliefs that govern the behavior and the actions. If these are in consonance with natural laws the long-term prosperity can be achieved:

Self Control and Responsibility – Not unbridled consumerism

- It is a **self-imposed curb on expenditure of human energy in wasteful channels**
- **Redirecting the energy thus conserved to constructive work,**
- **Using the inherent intellectual talent in a responsible way.**

ANQ was probably one of the first organizations of quality professionals that stated its Goal, Strategy, The Asian Way and the Core Values five years ago encompassing the various facets of the Ecosystem & Global Environment in its entirety.

- The progress in terms of deployment of the strategy has thus far been limited
- Can we move forward at higher speed as the time for action is running out?
- Some work has been done by individuals.
- Can this be collaborated and experimented?

Develop new QM concepts, systems and techniques to contribute and support:

Development of innovative technologies for Systems Approach for **production and use of clean energy**

Development of systems and products **for efficient use of energy**

Development of systems and technologies **to conserve natural ecosystems**



Develop new QM concepts, systems and techniques

We can learn from companies like Toyota who have already developed and applied such concepts with great success

Take the message to others to do the same or even better

Need Volunteers to work for the larger good?

ANQ has
the opportunity and
the responsibility

**May be we should plan and conduct future ANQ
conferences controlling the Carbon Footprint
as a measure of austerity & conservation?**

Khob Khun Krub

Thank You