

Worldwide grower of fruits and vegetables wanted to enhance its quality reporting and management.

This leading multinational grower and distributor of branded fruits and vegetables wanted to continue to be able to command premium prices for its perishable goods despite competitors' more aggressive pricing and more advanced quality management. To retain its preeminent position, it resolved to close the quality gap by taking appropriate measures.

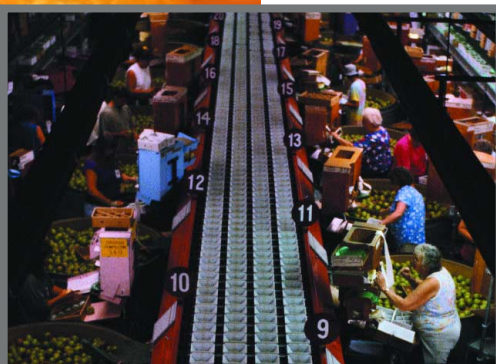
One of these included hiring a new vice president of global quality and food safety, who was immediately confronted by a bewildering array of quality metrics and reporting formats he had to deal with on a daily basis.

"We were generating massive amounts of information" he observed, "but very little was being used. I wanted to develop a system that would be simple and easy to understand - one that would allow us to become much more proactive in quality management."

After some internal discussion the company decided to seek outside assistance and ultimately retained USC Consulting Group, a management consulting firm known for its operations management prowess. The first thing USCCG did was to conduct a systems review to understand what the client actually had available.

The consultants soon discovered an unwieldy collection of Power Point presentations, Excel spreadsheets and other forms of reporting as diverse as the company's global operations. It soon became apparent that the information had to be gathered, reported and distributed in a way that would make it both timelier and more actionable.

The next step was to benchmark what the company had and was using against what other companies, including several Malcolm Baldrige Award winners, considered "best in class." This was accomplished through surveys and one-on-one conversations with a wide range of key executives available to USCCG from various industries. Once gathered and analyzed, the findings served as a guide for the next phase of the engagement.



Key Metrics

Developed Fruit Quality Index

Standardized performance metrics across multiple business units

Standardized quality reporting and management practices across multinational operation

Quality-related claims reduced initially 2½%

This USCCG-led engagement helped prepare the company to regain its global leadership position based on higher levels of quality and customer satisfaction.

Working with key client personnel, USCCG next used Quality Function Deployment methodology to ensure that all major requirements of the customer were identified so they could subsequently be met or exceeded through design and deployment of a supporting production and management system. Key product attributes including appearance, freshness, size and consistency were then used to create a Fruit Quality Index.

“For the first time we began to look at our product through the eyes of our customers,” said one participant, “and it proved to be quite illuminating. Instead of focusing on trade credits and making amends on the back end, we shifted our attention to preventing problems on the front end.”

Once the index had been fully developed and defined and operations staff trained in its use, a prototype was launched using one product in one major operation to validate it in practice. As this got underway, plans were made to expand its use to other products and business units.

After this, the consulting team turned its attention to determining the true Cost of Quality, which the client planned to use to identify and prioritize opportunities for improvement. They had been using only the Cost of External Failure (spoiled, unsaleable, returned product) - one of the four components of the Cost of Quality - but wanted to expand to also consider the Cost of Internal Failure, Prevention and Appraisal in the interest of better customer satisfaction and service.

Said the vice president of global quality and food safety at the conclusion of Phase I of the ongoing project, “With our quality measurement and reporting system now more nearly aligned with the voice of the customer, we’re much better prepared to meet the growing needs of the global market for fresh product.”

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VP, Global Quality
and Food Safety



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