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MAKING QUALITY MORE THAN A FAD

Now that most Fortune 500 companies are pursuing some form of total quality management, critics are asking if it is any more than just another management fad. In a recent Arthur D. Little survey, only 36% of 500 executives at major U.S. companies believed that quality programs had improved their competitiveness. A poll by the Rath & Strong consulting firm found that 38% of senior managers at 95 corporations gave their quality efforts a failing grade.

So what separates the winners? The CEO, Rath & Strong President Dan Ciampa and others say the research proves that a quality program works only when the chief executive visibly backs it. Says Ciampa: "A quality effort that doesn't have such leadership is a recipe for disaster."

CEOs who do it right include Wayne Calloway of PepsiCo. He tells his troops, "If it ain't broke, fix it anyway" - and then lets them. For example, he freed Mike Lorelli, president of Pepsi-Cola East, to shake up the 14 plants and 78 warehouses he oversees. Lorelli set up pilot programs involving employees from all levels and sought their input on how to do things better. Drivers of delivery trucks reported that grocery store owners wanted their soda orders filled faster. The drivers worked with inventory managers to reduce the number of orders that needed repackaging at a warehouse in Uncasville, Connecticut. Today that warehouse is mostly leased to publisher Simon & Schuster. Pepsi not only saves money but has also cut delivery time from three days to one. Thus, happier customers. - Rick Tetzeli