Total Quality Management

Syllabus for TRA 3163 (CRN 10308) and MAN 5525 (CRN 10299)
Lutgert College of Business
Florida Gulf Coast University
Professor David A. Collier
Spring Semester 2012

Office/Phone: Lutgert Hall, Room 3332, Phone 590-7348, e-mail: dcollier@fgcu.edu

Class time/Room: Wednesday, 5:30 pm -- 8:15 pm, Homes Engineering Room 330

Course Materials
Selected chapters from OM3, by David A. Collier and James R. Evans, (chapters and cases posted on Angle course web site) AND other materials like articles, cases, award criteria, etc. There is no required book for this course. If you want you could buy a used copy of OM3 but that is optional. I will also post on Angle some Excel templates to do some of the problems and cases.

Overview and Objectives of the Course

We are in the Service and Information Age where information-, entertainment-, and service-content are increasingly dominating or complementing goods-content. Today, service industries account for 82% of the jobs in the U.S. economy. Goods-producing industries (all of manufacturing, construction, fishing, forestry, mining, and agriculture) account for the remaining 18% but 50% of those jobs are also in service processes. Therefore, 91% of the jobs in the U.S. economy involve designing and managing service-, information-, or entertainment-intensive processes. Therefore, the emphasis is on quality management in both goods-producing and service-providing organizations.

The course examines the topics of the design, planning and control of quality management and lean systems with more emphasis on service firms since that is most likely where you will work. Sustainability also is a part of this course. Course objectives include:

1. Develop a broad understanding of lean, quality, and performance management concepts and methods applicable to both goods-producing and service-providing organizations.

2. Gain insight into how quality management is integrated with all aspects of the organization.

3. To become adept at structuring and analyzing practical problems, identifying information needs and sources, defining objectives and strategies, identifying key qualitative and quantitative decision criteria, arriving at a decision, and selling your final recommendations to your boss, client, or peers via the analysis of business case studies.

4. To practice and improve your written and verbal communication skills, and therefore, enhance your ability to communicate in business situations, and create an environment where you learn to work in teams. We use cases, case management reports, and case discussion to encourage you to work on these skills.

5. Hand-in assignments are given much more weight in grading than exam performance in an attempt to mimic real world jobs.

Exam
• The exam is closed book, closed notes.
• Formula sheets are given on the exam.
• Each exam consists of some combination of conceptual questions, quantitative models, and problem solving. The material could be based on anything covered in the lecture, text, case discussions, homework, other assigned readings, videos, or guest presentations. Taking good class notes are a key to doing well on the exams.
• Each student must bring their own calculator and writing instruments. Sharing of materials is prohibited. Electronic devices of any kind (cell phones, tablets, PCs, etc.) must be turned off during the exam.
• No make-up, late or early exams are given. A comprehensive make-up exam is given at the end of the semester if needed. Business related absences are not excused. Students should make arrangements now to avoid time conflicts.

Class Participation
Good managers can communicate their ideas and analysis in a management meeting and to their peer group. Think of coming to our class meetings as coming to a management meeting and "practice" your communication skills. Relax and tell us what you think! Let's learn from each other! Consistent, aggressive, and quality class participation is expected. All points of view should enter the class discussion. After most classes, I review our class discussion and assign "each of you" a score of +5 (you present a sound, insightful, and articulate analysis of the case and we all can go home early!) to -5 (you were unprepared and wasted everyone's valuable time!). At times I will call on you directly to discuss or explain a topic to the class. If you miss any class due to illness, interviews, etc., please write a one to two page analysis of the case/class/homework (follow detailed text and syllabus assignment questions) you missed and hand in to me at our next class. This allows me to verify that you have captured the important issues from that session. A poor attendance record will reduce your final course grade, so please communicate with me on attendance policy. I occasionally pass around a class attendance sign up sheet so please attend class.

Team Case Management Reports (Read This Carefully)
A team of no more than three people must analyze and write case management reports. The case management report must be handed-in on the date the case is discussed in class. The case write-up should be in the form of a management or consultant report. It should be typed, single or double spaced, and should not exceed eight pages including all exhibits, computer printouts, Excel worksheets, flowcharts, tables, etc are considered part of the exhibits. You must decide the exact content, analysis, and presentation format. An "A" report would be of sufficient high quality to use as an outside consultant's report or as a top-level management's internal document. You will be writing such reports in your new job and this component of the course is intended to give you some practice at problem analysis and report writing. Just like in the real world, no late case management reports will be accepted.

Organize your analysis so you clearly define the issues and problem(s) to solve in the case, make sure you have a section in the report "base lining" current process design and performance, and then other sections documenting you analysis. A good management report usually includes an executive summary, a logical sequence of topics with ample use of headings and subheadings to "guide the reader" through the analysis, easy to follow exhibits with "example computations", all assumptions clearly stated, a final/summary set of recommendations with summary numerical support if appropriate, and so on. Poor report organization and/or writing can defeat a good analysis, so spend some time on this part of the assignment. The reader (your boss or client someday) should be able to smoothly move through the report without being confused.

Course Project or Paper or Case Write-up
You have three options for a final course hand-in as follows:
(1) A project where you collect data on a real situation and analyze it and write a short mini-case with teaching note.
(2) A paper on a topic of interest to you such as a quality management (by industry or topic or issue) or sustainability and quality management.
(3) I will give you a case study that includes data and you analyze the case and write a management report to your boss or client (role playing).

**Grading and Course Performance**

You grade is determined with 55% weight on individual performance and 45% on team assignment performance as follows:

- Individual Class Participation, Attendance & Attentiveness - 10%
- Individual Performance on one exam - 20%
- Team Case Write-ups and Homework Hand-ins* - 45%
- Individual Course Project or Paper or Case Study Write-up - 25%

*Your “team” is responsible for helping “all team members” understand the concepts and methods of the course—teach and help one another!

**Disability Accommodation**

If you need an accommodation based on the impact of a disability, please arrange an appointment with me as soon as possible and contact the FGCU Office of Adaptive Services in Howard Hall 137. Their telephone number is 590-7956.

**Academic Misconduct**

Any material submitted for course credit must be your own work if it is an individual-based assignment or the work of your team if it is a group-based assignment. Students are not permitted to discuss, read, etc. the work, thoughts, and ideas regarding the case or exams with other students (or another team for case work). If outside references are used, they must be properly referenced. Also, with the case work, it is recommended that you take action to protect your work, such as collecting your materials from the lab printers and disposing of rough drafts at home. Case write-ups that are similar to current or past case write-ups or similar to on-line materials may initiate serious disciplinary action, so please do your own work as an individual or, when required, as a team. Suspected cases of academic misconduct will be reported to the appropriate university departments. Typical penalties include an E in the course, disciplinary probation and/or possible dismissal from the university. *Academic misconduct is a serious threat to the integrity and value of your degree and all that we do. Employers expect you to know the body of knowledge that is documented in your academic transcripts.* The FGCU Student Code of Conduct documents the policies related to academic misconduct and honesty so please read these materials.

**Religious Holidays**

All students at FGCU have a right to expect that the University will reasonably accommodate their religious observances, practices, and beliefs. Student shall not be penalized due to absence from class or other scheduled academic activities because of religious observances.
### General Topic/Assignment

*(See Detailed Assignment Questions Attached)*

## I. Introduction to Quality Management

1. **Wed/Jan 11**  
   - **Read:** “Winning the Sustainability Game – A Model of C21 Growth (on Angle Web site) Think about the following “big picture” questions before our class discussion. (a) Define sustainability and a green supply chain. (b) What challenges do organizations face according to the reading? (3) Make a list of five major “changes” an organization might encounter? (4) How does quality management “fit” into the previous questions?  
   - Setup teams, discussion of performance measurement  
   - **Read:** Chapter 3, OM3 (on Angle Web site)

2. **Wed/Jan 18**  
   - We’ll work selected C3 homework problems in class (no team hand-in).  
   - **Read:** Bonnie Blaine, Director of Hospital Operations Case, (posted on Angle web site) in class discussion of the case; nothing to hand-in; take good class notes; cases will be on the exams.

## II. Goods and Service Design (Where Quality Begins)

3. **Wed/Jan 25**  
   - **Read:** Chapter 6, OM3; be ready to discuss the “servicescape” for Starbucks and other service delivery systems in detail.  
   - **Team Hand-in Prepare:** BankUSA: Credit Card Division, OM3 (pp. 62-63).

4. **Wed/Feb 1**  
   - **Read:** Chapter 6, OM3;  
   - **Team Hand-in Homework Assignment** C6, OM3, #1. #2. #4, #5, #7, #9 (pp. 120-21)

5. **Wed/Feb 8**  
   - **Service Guarantees**  
   - **Team Case Hand-in:** Bourbon Bank: Service Guarantees, Chapter 6, (OM3 pp. 121-122).

6. **Wed/Feb 15**  
   - **Read:** Broadway Pizza case (posted on Angle web site)—think about case assignment questions at the end of syllabus but nothing to hand-in yet; look at next week’s assignment.  
   - **Read:** Benihana of Tokyo case (posted on Angle web site)—same as BP

## III. Statistical Process Control

7. **Wed/Feb 22**  
   - **Read:** Chapter 15 (OM3)  
   - **Six Sigma Class Handouts**  
   - We’ll work selected C15 homework problems in class.  
   - **Team hand-in Assignment:** Compare and contrast Broadway Pizza and Benihana at the three levels defined in Chapter 6 (i.e., Level 1 -- strategy, vision, competitive priorities, and mission; Level 2 -- service delivery system, and Level 3 -- service encounter levels). A table format works well here with the three previously described levels. Maximum of four-page write-up.
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<th>(See Detailed Assignment Questions Attached)</th>
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| 8     Wed/Feb 29  | - Read: Chapter 16 (OM3)  
- Team Case Hand-in: Renewal Auto Service case (posted on Angle web site). The focus is on the GAP Model.  
- Read: Sunshine Enterprises case study (OM3, pp. 321-322), nothing to hand-in, class discussion.  |
| 9     Wed/March 14| Team Hand-in Homework Assignment, C16, OM3, #3, #6, #8, #9 (pp. 341-42) using Excel templates.  
- Read: New Marketing Mix Stresses Service (posted on web site) Be ready to discuss; nothing to hand-in.  
- Team Prepare and Mini-Case Hand-in: Dean Door case (OM3, pp. 342-43; posted on Angle web site).  |
| 10    Wed/March 21| Exam #1 (only one exam; all materials classes #1 to #9)  |
|       | IV. **Lean Operating Systems**  |
| 11    Wed/March 28| Read: Chapter 17, (OM3) We’ll work selected C17.  
- ISOM job opportunities; your resume, etc.  
- Turn in project ideas, discuss paper topics, describe case study; go over format, length, due date and expectations.  
- Team Prepare and Mini-Case Hand-in: Red Rash case (posted on Web site),  |
| 12    Wed/April 4 | Read: MBNQA Criteria for Category 5.0 and 6.0 (pp. iii, iv, 3, 18-22, 25, 68-71); be ready to discuss MBNQA criteria and scoring system  
- Read: Arroyo Fresco Community Health Center Application for Category 5.0 and 6.0 (pp. xi, xxii, 11, 19-32, 42-48.)  |
| 13    Wed/April 11| Work on projects; meet with me at class time if you want, etc. (class workshop format)  |
| 14    Wed/April 18| Present project, paper or case write-ups to the class  |

**THE END!  ENJOY YOUR SUMMER!**

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Case Starter Assignment Questions  
Professor David A. Collier  
Spring Semester 2012

These case assignment questions are just to get you started and may or may not be as important as your questions.

Broadway Pizza Case
1) Define completely the bundled of goods and services for (a) family restaurants and (b) entertainment by automation. Are these they compatible? Why or why not?
2) Define Broadway Pizza’s strategic service vision.
3) Identify and evaluate potential problems faced by Broadway Pizza.
4) Take a look at their investment structure and compare to their revenue sources. Any conclusions?
5) What is your final set of recommendations to Mr. Baldwin?

Benihana of Tokyo Case
1) Define the Benihana concept and bundle of goods and services. Define Benihana’s strategic service vision.
2) Benihana's operating statistics appear to be favorable compared to the typical service restaurant. Why are they that way? What are BH's key success factors?
3) What is the process flow from the customer's perspective? What is the function of the bar/lounge area in this service delivery system? How is the process paced? Identify capacity in this service delivery process.
4) What growth options are available to Benihana and what would you recommend they do?
OPTIONAL PEER TEAM EVALUATION
TEAM MANAGEMENT CASE REPORTS & HOMEWORK ASSIGNMENTS

Your team has been given $100 to allocate to team members as a bonus consulting fee. Divide the money among your team based on the quality and effort of each team member’s contribution. The objective of this information is to document individual team members who are outliers (high or low percentage of total management report effort). If, in your opinion, everyone contributed to the management reports in different ways "roughly" equally, there is no need to hand in this optional evaluation. It is assumed, unless the instructor is told otherwise by handing in this form, that all members of the team participated and contributed about equally to the development and preparation of the homework and mini- and major team case management reports. Please explain your response in a professional manner. This evaluation is due to the instructor by the last regular class and is optional.

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Discussion/Comments: