

**Topic 2.3.3 Managing Quality**

**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

**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

**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

**BUSINESS**: ***Creating informed, discerning employees, consumers and future leaders***

**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