Lesson 5: The concept of quality and TQM

KNOWLEDGE ORGANISER

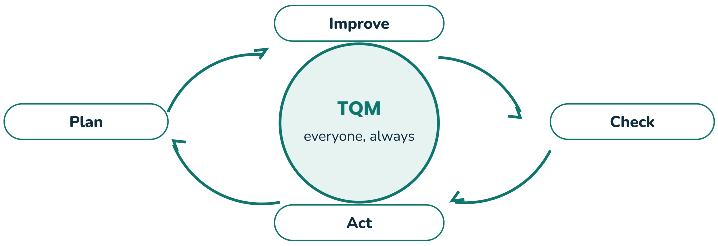
🎯 Learning goals

- ✓ Explain what quality means and why it matters
- ✓ Describe how businesses identify quality problems
- ✓ Explain TQM and its advantages
- ✓ Weigh the costs and benefits of maintaining quality

🔑 Key words

- **Quality** Meeting or exceeding customer expectations.
- **Quality control** Checking products against a standard, often at the end.
- **Total Quality Management (TQM)** Every employee continuously improving quality.
- **Product recall** Removing faulty products from the market.
- R **Reputation** What customers and the public think of a business.

📘 What you need to know



TQM means everyone improving quality, all the time.

1. What is quality?

Quality means meeting or exceeding customer expectations — for a good or a service. Good quality leads to repeat purchases and customer loyalty, which raises sales.

2. Finding quality problems

Businesses identify quality problems through **customer feedback**, quality inspections and product testing. The sooner a problem is found, the cheaper it is to fix.

3. Total Quality Management (TQM)

Total Quality Management is a system where *all* employees focus on continuously improving quality — not just inspectors at the end. The advantage is a better reputation and higher customer satisfaction.

> *"Under TQM, quality is everyone's job, all of the time."*

4. Costs and benefits of quality

Benefits of high quality

- ✓ Additional sales and repeat custom.
- ✓ Better image and reputation.
- ✓ Can charge a higher price.

Costs of high quality

- ✗ Inspection costs.
- ✗ Staff training.
- ✗ Product recalls if things go wrong.

Quality problems can increase as a business **grows**, especially when it uses **outsourcing** or **franchising**, because the business has less direct control. A serious fault may lead to a **product recall**, which is costly and damages reputation.

✅ Test yourself

Cover the answers below, answer Q34–Q41, then check.

Q34 What is meant by quality in business?

Q35 Give one way businesses identify quality problems.

Q36 What is Total Quality Management (TQM)?

Q37 Give one advantage of TQM.

Q38 Give one cost of maintaining high quality.

Q39 How can good quality affect sales?

Q40 Why might quality problems increase as a business grows?

Q41 What is a product recall?

ANSWERS

A34 Meeting or exceeding customer expectations.

A35 Customer feedback, quality inspections, or product testing.

A36 A system where all employees focus on improving quality continuously.

A37 Improved reputation and customer satisfaction.

A38 Staff training or inspection costs.

A39 It can increase repeat purchases and customer loyalty.

A40 Outsourcing and franchising reduce control.

A41 When faulty products are removed from the market.