
e-QM

(or Quality Management in the Virtual World)

by

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Thesis

**Many business practices will be changed
in the fast-paced, digital, e-world**

**Many concepts of QM assume a linear,
predictable landscape**

QM practices will not escape change

Feed the dialogue!

Recommended Changes in Benchmarking

- **Scope of benchmarking projects should be very targeted on a few key actionable issues**
- **Rely more heavily on publicly available sources of benchmarking information**
- **Use electronic communications to reduce the amount of face-to-face time (and related travel costs)**

Source: APQC, 2001

The e-world

Networks of organizations and individuals are created to fill a market need

The network relies heavily on digital communications technologies

Tradition boundaries (e.g., roles) and timeframes are upset by these virtual companies

Major Issues from One Virtual Firm

- **Need to know when and how to make the tradeoff between speed and waste when making business decisions**
- **Business strategists need to understand information technology as it becomes a core part of new business models**
- **How to manage quick, virtual business partnerships**

Source: Luther, 2001

Customer Relationship Issues

- **Customer support must be 24-7, regardless of location of customer and transaction provider**
- **Access must consider cultural and language, and different levels of technical (e.g., computer) skills**
- **All support (e.g., inquiry, ordering, delivery, complaints) should be available through the same portal**
- **Interactions will mostly involve no person-to-person interface, but will instead rely on logic of the software**

Sources: Dedhia, 2001; Sinha, 2001

Other Issues

- **Reliability of the organization is impacted by quality of the business model and of the underlying technological infrastructure (Feigenbaum & Feigenbaum, 1999; Sinha, 2001)**
- **Performance can be retarded due to lack of social cohesion and trust traditionally developed through face-to-face interaction (Okes, 2000)**

Some Additional Assumptions

- **Boundaries (e.g., roles) will be less clearly defined**
- **Complexity principles will rule**
- **Reduced economic friction will drive further cost pressures**
- **Time between cause & effect will be less**
- **Society & customers will expect further reduction of risk**

Dual Analysis

- **Map Baldrige criteria against speed and digitalization (Table 1)**
- **Look at specific QM techniques and how they might be impacted (Table 2)**
- **Note: Slides present only a summary of a few points**

Baldrige Analysis

Leadership & Human Resources

- A more egalitarian philosophy (driven by economics, not ideology) will involve more employees in vision & planning and in day-to-day decision making

Strategic Planning

- Planning will be done more frequently for narrower niches, and will utilize electronic competitive intelligence (e.g., on-line mystery shoppers, intelligent agents)

Baldrige Analysis (cont'd)

Human Resources

- How to coach and/or evaluate a virtual employee
- Pay will be based on projects/outcomes

Information and Analysis

- On-line scoreboards at all levels/steps of the organization
- Live, on-line modeling for problem solving (e.g., automated 6σ)

Review of QM Techniques

- **Auditing - Need to know how to audit virtual networks and IT systems**
- **Teams - Less formally structured team processes will be used**
- **Training - How to develop & deliver e-learning**

Some Themes

- **More widespread knowledge (e.g., of strategic planning, process management, team processes)**
- **Less data gathering, entry, & charting**
- **Greater knowledge of IT (versus product) and how to work in a virtual environment**