

## Introduction: A TQM Success Story

A SMACNA contractor wasn't getting accurate labor coding from job sites so they couldn't monitor job cost progress. A team made up of a cross-section of field, accounting and estimating personnel was created to analyze the problem and recommend a solution. The team's solution was to modify work code numbers and make them project-specific. The codes to be used are identified during pre-job meetings.

New time cards were introduced, and after several weeks of use in the field, the same team reconvened to discuss ways to further improve the process.

This contractor used a team problem-solving approach as part of a Total Quality Management (TQM) effort. TQM is a continuous process of improving customer satisfaction, employee satisfaction, productivity and safety through structured team problem-solving.

SMACNA members are in a unique position to take advantage of process improvements like this for three major reasons. First, the many steps in the completion of a job—from the purchase of raw material to sheet metal installation—provide a series of reproducible processes which can be measured. SMACNA members, unlike other contractors, manufacturer what they install.

Second, the dual costs of installation and fabrication added to the investments necessary in a sheet metal/HVAC shop create a labor-intensive environment in which even small gains in productivity will pay off substantially to the firm's profitability.

Third, the difference between profit and loss on a job is increasingly a matter of productive use of labor. Specialty contractors often control the largest share of labor costs—a key variable in managing overall job costs.

TQM is a means of improving your personal effectiveness and performance, and for aligning and focusing all individual efforts throughout the organization. It is a way of leveraging your individual effort and extending its effect throughout your company and beyond.

This guide book will help you understand the benefits of continuous improvement and your role and responsibilities in leading the improvement effort in your company. In it, we present a brief overview of TQM, describe a core set of individual and organizational behavior that has proven essential to successful improvement efforts for sheet metal contractors, and offer a general model for your improvement effort.

TQM is as much a management *philosophy* as it is a production system. Implementing TQM means changing the way you act **and** think. This guidebook shows you actions to take as you change your company's thinking. A more complete understanding of the philosophy of TQM can be gained through reading the material listed in Appendix C.