



Ten Minutes of Your Time. Lasting Business Impact.

**Issue 18
16 July 2004**

"Management commitment is tested and tested until it can be assumed."

- Philip B. Crosby, Quality Guru

In Their Own Words

Take Ten Minutes Talks with Scott Woods, Acting CEO of South Carolina Federal Credit Union

There is no way around it; management commitment is the starting point of a successful quality effort. Every company with a quality mindset has someone in the corner office that is a quality fanatic. You can have a phenomenal Director of Quality. You can have the most eager customer service reps in the industry. But without management commitment, the quality effort will flounder.

So what happens when the executive who originally championed the quality effort - the person who made changing the culture a personal mission - ceases to be involved in day-to-day operations?

South Carolina Federal Credit Union (S.C. Federal) is facing exactly that question. After reading *Quality Without Tears*, CEO Bob Dargan became convinced Philip Crosby Associates' Do It Right The First Time (DIRTFT, pronounced "dirt foot") philosophy was S.C. Federal's future. As part of his commitment to the effort, he made a pilgrimage to meet the writer who inspired him, Philip B. Crosby. And when he rolled out the quality philosophy to his staff of 300, he became their inspiration by stepping in a bucket of mud--so he had "DIRT-y" feet--and traipsing muddy DIRTFoot-prints throughout the credit union's hallways.

Apparently, the lesson stuck: not only do painted replicas of his dirty footprints adorn the walls and floors in S.C. Federal's Learning Center, but the credit union has lowered its Price of Nonconformance(TM)--the cost of doing things wrong--reduced employee turnover and has grown to manage US\$1 billion in assets.

Mr. Dargan went on a medical leave of absence six months ago and recently announced his retirement. And so the company entered a new phase in its quality journey. With Mr. Dargan no longer in the chief executive role, what has happened to S. C. Federal's culture of quality? *Take Ten Minutes* recently spoke with Scott Woods, S.C. Federal's CFO and Acting CEO, to find out the impact of Mr. Dargan's absence on the company's commitment to quality.

Q: Mr. Dargan championed the effort at S.C. Federal; what has it been like during his absence?

A: Bob Dargan is a visionary; when he decided this credit union would become an organization based on quality, he put his heart, mind, and soul into the effort. Not every CEO would stand in a bucket of mud in front of 300 employees. He showed everyone that he was a believer, that this was not a catch phase or the "Program of the Month".

I think we've all been a little surprised that the effort has picked up steam since Bob's leave began. It is a testament to how much it has become the fabric of our organization, and it shows quality went far beyond being Bob's personal project. Bob introduced it to us, but quality became what S. C .Federal is all about when it quickly got buy-in at all levels.

S.C. Federal accepted quality so readily because we saw instant results-we broke down processes and identified root causes and effected change. Just like we make sure to put a tape in the security camera, "quality" is what we do every day. Quality is who we are.

Q: Give me an example of how the commitment is stronger today.

A: Our biggest project right now is to convert all member data from one core processing system to another - a huge effort for any financial organization. We had planned to go live with the new system on November 1, and our project teams were well on our way toward achieving that date. Recently, though, we discovered that some of the milestone deliverables scheduled compromised our commitment to DIRTFT. If we were a company without a culture of quality, we may have felt compelled to stick to the schedule at all costs. That might require cutting corners as the date approached or pressuring the vendor to deliver faster, causing the vendor to make mistakes in an effort to meet the schedule.

Without a culture of quality, we may have dragged our feet and let conflicting values lead to indecisiveness. But that's not who we are. Using knowledge gained through our quality training, the team identified that this time compression was going to have a domino effect: If we stuck to our original conversion date, we'd have less time to write the procedures, conduct training for associates and do all the things we need to make the rollout a smooth one for ourselves and our members. We made the decision to move the conversion date so we can do it right the first time.

We don't see this as a negative. It is a positive sign of the quality philosophy at work. To delay early on is one thing; to delay just weeks before the planned date is a different story. Without our focus on quality, we would have gone full steam ahead and weeks before the planned rollout realized we had an unfavorable situation on our

~ ~ ~ ~ ~
The Capability Group and Philip Crosby Associates
306 Dartmouth Street, Boston MA 02116
617/716-0222

Were you given this hard copy of *Take Ten Minutes*? Would like your own free electronic subscription?
Sign up at: <https://www.philipcrosby.com/forms/maillinglist.htm> *Don't miss another issue!*

hands. Our culture of quality put us in the driver's seat, allowing us to identify the problem and solve the issue before it ever reached crisis status. In the end, everyone will remember that the conversion was a smooth one - not whether we stuck to the original schedule.

Q: Has it ever been difficult to keep the focus, to stay committed to quality?

A: You bet! Absolutely. And that's because maintaining quality is hard work and we're all human.

We all are attracted to the "project of the month" mentality because it takes us out of our everyday grind. You get to think about something else for awhile, and maybe have a company-wide pizza lunch. But when you become a company that's committed to quality, you commit to constant change. This is not easy stuff. A quality mindset forces you to fix things that aren't completely broken--someone might point out that a process that now takes five steps could be streamlined down to just two steps, and there's an inclination to say, "OK, but the five-step process works just fine--don't fix it if it isn't fully broken!" I find myself tempted, but I know it is a slippery slope. You just don't go there. Your commitment is tested daily, weekly, monthly, quarterly, and annually. You have to recommit each and every day.

Q: What makes S.C. Federal stand out?

A: We are constantly asking and assessing, "what do we need to do in order to do this right the first time?" We do not blame people; we correct processes. We focus on our core competencies, and we outsource where it makes the most sense. I credit S.C. Federal's quality culture with making us an organization that just hit-as of the end of April-the one billion dollar mark. You don't get to \$1 billion by accident. We got there because of our quality culture.

Q: What advice would you give an executive who is just starting a quality initiative?

A: I would tell the executive to remember that his or her people aren't blind. The staff will quickly tell the difference between a "project of the month" and real, meaningful change. If you rip out some random article on quality from a magazine, drop it on your HR manager's desk and say, "This sounds good. Go tell the staff that we care about quality, that we're a company of quality, and that management means business," don't expect anything great to happen. If you approach quality as a means to winning some industry award, don't expect anything great to happen. But if you commit, and I mean really commit, as in put a budget behind the effort, and increase headcount to support the effort, and work with a company like Philip Crosby Associates that has a clearly defined process to instill a culture of quality in the organization, then expect great things to happen. And they will.

~ ~ ~ ~ ~
The Capability Group and Philip Crosby Associates
306 Dartmouth Street, Boston MA 02116
617/716-0222

Were you given this hard copy of *Take Ten Minutes*? Would like your own free electronic subscription?
Sign up at: <https://www.philipcrosby.com/forms/maillinglist.htm> *Don't miss another issue!*

Take Ten Minutes

Consider your current organization and answer the following questions:

- How committed is your management team to quality?
- Does your organization have a "project of the month" mentality?
- What could you do to support or enhance your management team's commitment to quality?

Change Starts Here

[Quality Without Tears](#) is the classic handbook for those charged with causing quality to improve. [Order your copy today.](#)

Not a subscriber?

If someone forwarded this to you, feel free to [Subscribe now.](#)

About Take Ten Minutes

Take Ten Minutes is a weekly publication of [Philip Crosby Associates](#) and [The Capability Group](#).

The premise behind *Take Ten Minutes* is simple: take ten minutes out of every week to refocus and recommit to business improvement. *Take Ten Minutes* features quotes and interviews to inspire you. We also pull articles from today's headlines as examples of the power of the preventive culture (or the deep problems caused by not having one).

As the name suggests, *Take Ten Minutes* is relentless with the editing razor and keeps each issue tight - each issue should take you no more than ten minutes to read, start to finish. You'll reap even bigger rewards if you kick in an extra ten minutes to discuss the ideas with a colleague or to take an idea found here and plan to roll it out in your organization. We hope *Take Ten Minutes* becomes the business improvement equivalent of your running partner, providing the inspiration you need to lace up and "just do it" on those weeks when the couch seems oh-so preferable.

We hope you enjoy *Take Ten Minutes*. As Philip Crosby said, improving your business "is a journey that never ends." So let the journey...*continue!*

Please send story ideas or comments to our [editor](#).

About Our Companies

In today's marketplace, only capable companies will survive and thrive. The overarching goal of [Philip Crosby Associates](#) (PCA) and [The Capability Group](#) (TCG) is to give companies the

~ ~ ~ ~ ~
The Capability Group and Philip Crosby Associates
306 Dartmouth Street, Boston MA 02116
617/716-0222

Were you given this hard copy of *Take Ten Minutes*? Would like your own free electronic subscription?
Sign up at: <https://www.philipcrosby.com/forms/maillinglist.htm> *Don't miss another issue!*

culture, tools, methodology and results-focused support to become 'Capable Organizations' - useful, reliable, adaptable, and ever-focused on achieving customer success.

PCA and TCG deliver on this goal by first working with clients to assess where they are on the maturity spectrum and where they want to go. For companies early in the process, we work hand-in-hand with management to install a culture of prevention - the culture that has been championed by the PCA side of our business since quality management guru and PCA founder Philip Crosby published *Quality is Free* in 1979. Over the past two decades, Crosby's techniques have been implemented by many of the Fortune 500, as well as small and mid-sized companies seeking excellence.

Once the foundation of the Capable Organization is present, TCG steps in to help clients take their efforts to the next level by further reducing costs, enhancing quality and promoting growth. TCG was founded by Kevin Weiss, who was a Quality Leader and Master Black Belt for General Electric when that company first implemented Six Sigma - a program CEO Jack Welch has attributed with "changing the DNA of GE". With a proprietary Cost-Quality-Growth™ Model created based on the knowledge that GE's success was due to much more than a typical Six Sigma deployment, TCG has helped shape Cost-Quality-Growth Programs for companies such as Shimano, American Express and Sony.

Along the journey to the Capable Organization, PCA and TCG provide a comprehensive set of training programs and materials as well as consulting and assessment services to accelerate progress. Products and services range from courses and CDs geared towards the education of hourly workers to intensive seminars for managers and executive teams.

For more information, email Chris Johansen of Philip Crosby Associates and The Capability Group chris.johansen@capabilitygroup.com, or call 508-303-8267.

Or go to:

www.capabilitygroup.com
www.philipcrosby.com

~ ~ ~ ~ ~
The Capability Group and Philip Crosby Associates
306 Dartmouth Street, Boston MA 02116
617/716-0222

Were you given this hard copy of *Take Ten Minutes*? Would like your own free electronic subscription?
Sign up at: <https://www.philipcrosby.com/forms/maillinglist.htm> *Don't miss another issue!*