

Triumph Motorcycles: Strategic Quality Planning

Description

After experiencing lackluster sales, Triumph Motorcycle Limited started reversing its fortunes with a commitment to achieving its new vision: “The ultimate aim at Triumph is to produce motorcycles of quality and durability.”

To bring the vision to reality, top management and a team of engineers developed a strategic quality plan and then made an overseas benchmarking visit returning with four Japanese motorcycles and a BMW. They reverse-engineered these bikes to determine the best components. By identifying and “borrowing” the best features of each of these motorcycles, they designed the best-in-class motorcycle, the new Triumph motorcycle. They also re-engineered the manufacturing, purchasing (including partnering with suppliers), and warehousing processes to ensure that they met new standards.

The modularity concept re-engineered into Triumph’s new production processes allows parts like cam rods to fit both three- and four-cylinder engines. High-stress, high-integrity parts, like cam shafts and cylinder heads, are manufactured at Triumph’s Hinckley plant to allow them to control the quality, finish, consistency, and availability of such components. In fact, an industry-high 40 percent of Triumph’s motorcycle parts are produced in-house to ensure high production standards. Outside parts are sourced only from the most reputable firms worldwide, and a 20,000-foot warehouse allows next-day delivery for replacement parts.

This commitment to the new vision has paid off. Triumph produced its 5,000th bike from the new process in October, 1992, a little over two years after the launch of the new models. A mere nine months later, Triumph produced its 10,000th bike, en route to a 91 percent sales increase in 1993, as the company surpassed both Harley-Davidson and BMW in market share in the U.K.

Learning Points

With a clear vision and a solid strategic quality plan to support it, an organization can not only reverse its downward spiral, but also thrive in the global marketplace. By targeting all its strategies towards achieving “motorcycles of quality and durability,” Triumph was able to become the market leader.

New product development can be a time-consuming, costly, and exhausting process. Therefore, organizations are placing more and more emphasis on world-class process effectiveness and efficiency in their product development process. The focus is on shortening product development cycle time, cutting development costs, and ensuring that the product meets the needs of the customer. Benchmarking is a useful tool toward this end by enabling the organization to identify and adopt the competition’s best leading edge technologies and design features.

Discussion Questions

Question: What is an organizational vision?

Answer: A vision statement is what an organization would like to accomplish, or where they would like to be sometime in the future, i.e., it is their “dream of the future state.” Vision statements offer a very different view on the direction and character of the organization. They convey a general image of where the organization is headed to customers and employees.

Question: What are the characteristics of a vision statement?

Answer: Good vision statements are customer-focused, doable, compelling, and shared throughout the organization. In creating the vision, organizations take account of the customers, the values of the leadership, the environment within which the organization operates, and the current state of the organization.

Question: What is your organization's vision?

Answer: Responses will depend on the participants' organizations, i.e., whether they are all from the same or different organizations. Probe: Does your organization's vision reflect the characteristics of a good vision statement? How many consider your organization's vision when making a decision affecting your own job? Why do we sometimes lose sight of the organization's vision?

Question: What is an organizational mission statement?

Answer: A mission statement addresses the question: "What business are we in?" The mission clarifies the organization's purpose or reason for existence.

Question: What is your organization's mission statement?

Answer: Responses will vary. Probe: Are there areas of the organization that are beyond the scope of the mission statement? What issues or problems does this cause?

Question: What is meant by strategic quality planning?

Answer: Strategic quality planning:

- is a systematic planning process
- sets quality goals
- meets quality goals
- orients the entire organization

Question: What are the organizational benefits of having a strategic quality plan?

Answer: A strategic quality plan provides the following benefits.

- It builds a responsive, flexible, and disciplined system to achieve the organization's vision.
- It ensures that customers' needs are met for product features and freedom from deficiencies throughout.
- All key segments of the business are aligned to achieve lower costs, greater customer loyalty, improved shareholder value, and greater quality.
- It builds cooperation among departments to implement the quality strategies.
- It provides meaningful participation and empowerment for all levels in the organization.

Question: Has your organization conducted benchmarking studies to understand the competitors' products and services?

Answer: Responses will vary. Some will have conducted reverse engineering, others will have done "secret" comparison shopping, and still others will contact the competition directly to conduct the benchmarking study.