

## **Quality Means No Secrets**

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When United Southern Industries faced increasing foreign competition and a downturn in the U.S. economy, it didn't order cutbacks or layoffs like many of its competitors. Instead, the company chose to invest in its shop floor employees and adopt a stringent quality effort to facilitate a turnaround.

The quality and management programs have worked: its innovative Cost of Inferior Quality and Quest for Success management programs saved this North Carolina-based injection molding manufacturer \$1.1 million in 2003 and another \$327,000 in 2004.

The programs keep United Southern industries' employees fully informed about the company's financial status. Factors that negatively affect company performance or profitability are assigned dollar values, clearly illustrating to individual employees what their actions mean for the company as a whole.

"United Southern Industries keeps as up-to-date on everything from health care costs to what's driving the business we are getting and losing," says Lisa DosSantos, shop floor machine operator. "Most companies keep this a secret, but not here."

The company also invests heavily in education, providing each employee with an average of 100 hours of training per year. This allows employees to become certified in their job skills, and the company boasts a large percentage of Society of the Plastics Industry certified operators and several American Society of Quality-certified workers. The company is registered to ISO 9001 and QS-9000 and has implemented Six Sigma and lean manufacturing practices.

In 2003, United Southern Industries implemented an innovative workplace game called Power Dots. The game is posted on a large board in each facility and keeps "score" of each shift's efficiency, scrap, yield, sales, labor use and return material authorizations. Each shift works together to advance its game pieces, creating friendly competition among the workforce.

"Employees absolutely love the programs," says Todd Bennett, United Southern Industries president. "There's a sense of trust built up now that all employees have access to the financials, understand what the company is doing with the money, as well as how their position affects the bottom line. Our profitability is up, our labor costs are down and job errors are dramatically lower."

The programs have had the following effects on United Southern Industries:

- In fiscal year 2003, internal rejections/scrap was reduced by 41.2 percent.
- In fiscal year 2004, internal rejections/scrap was reduced by an additional 13.4 percent.
- External rejects and returns reduced by 65 percent
- In fiscal year 2003, corporate efficiency increased by 8.1 percent.
- In fiscal year 2004, corporate efficiency increased by an additional 7.7 percent.

For more information, visit [www.unitedsouthern.us](http://www.unitedsouthern.us)

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