# Quality is it all about adding Euro's to the price of services provided to clients?

Presenter:

Mike Robson

Head of Quality Assurance

# Quality is it all about adding Euro's to the price of services provided to clients?

A talk on:

**How you measure quality specifically regulated industries like the financial sector and still be AGILE at the same time.**

Efficiencies in delivery and benefits to clients.

Ways of promoting your quality brand, winning new business and keeping your current clients.

Google the word "Quality" and you will get the follow dictionary definition:

"the standard of something as measured against other things of a similar kind;
the degree of excellence of something."

Which one of the following organisations has the perfect quality model that fits any organisation and any Agile method?

CQI | IRCA
LEADING QUALITY FOR 100 YEARS

EFQM
Committed to excellence

ISO International Organization for Standardization

Google the word "Quality Control" and you will get the follow dictionary definition:

"a system of maintaining standards in manufactured products by testing a sample of the output against the specification."

Google the word "Quality Assurance" and you will get the follow dictionary definition:

"the maintenance of a desired level of quality in a service or product, especially by means of attention to every stage of the process of delivery or production."

The essence of quality control and quality assurance is:

"Product variation exists on a curve. Sigma is the measurement of deviation from the optimisation and / or mean value"

In simplistic language if you set a quality level you want to reach "a *realistic measure",* using a score rating, you can find out where the real level of quality is at in your organisation.

Through the rating you find where processes are inefficient and improvements can be made.

In an digital world which is always connected organisations still persist in adding standards, the got to have's as part of awarding business contracts and / or deals.

Organisations ask the questions:

"How do we remain Agile but at the same time deliver to 20<sup>th</sup> century methods for quality that inherently follow more traditional waterfall processes?"

"Do we consider dropping quality measures and rely on their delivery teams to delivery to the Agile definition of Quality?"

"Being in a highly regulated industry with demanding clients can we really be Agile?"

**ISO** 9001   **ISO** 27001   **ISO** 18001   **ISO** 14001

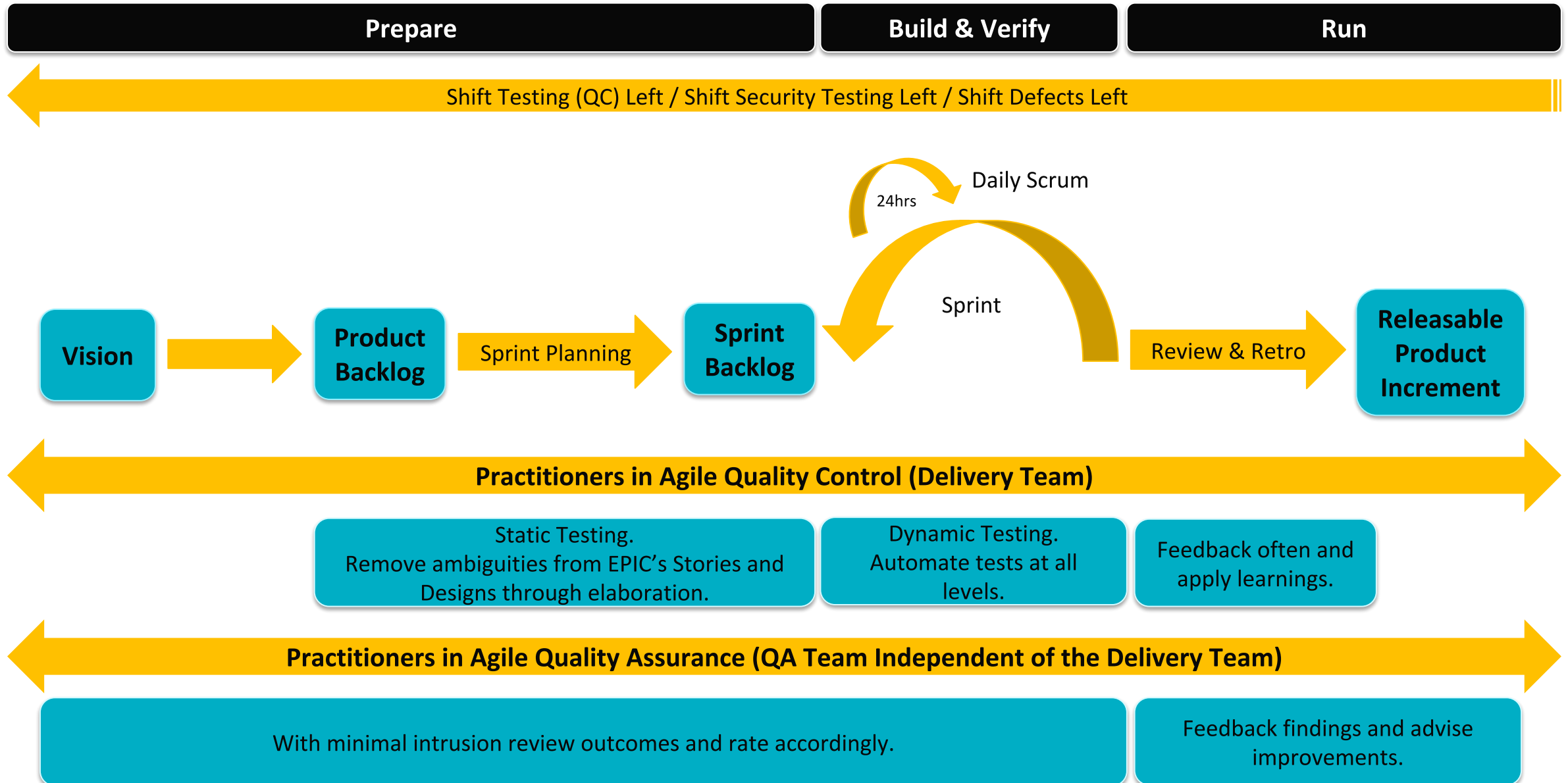The paradigm "How do we remain Agile but adhere to regulation?"

TransUnion, we no different to other organisations who face enforced standards in highly regulated industries.

Our chosen strategy was embrace and work with standards / regulations and find a way to be Agile at the same time.

**Specialist Certifications**

# TransUnion's Agile Delivery with Lean Quality Control and Assurance

| Prepare | Build & Verify | Run |
|---|---|---|

**Shift Testing (QC) Left / Shift Security Testing Left / Shift Defects Left**

Daily Scrum
24hrs
Sprint

**Vision** → **Product Backlog** → Sprint Planning → **Sprint Backlog** → Review & Retro → **Releasable Product Increment**

**Practitioners in Agile Quality Control (Delivery Team)**

| Static Testing. Remove ambiguities from EPIC's Stories and Designs through elaboration. | Dynamic Testing. Automate tests at all levels. | Feedback often and apply learnings. |
|---|---|---|

**Practitioners in Agile Quality Assurance (QA Team Independent of the Delivery Team)**

| With minimal intrusion review outcomes and rate accordingly. | Feedback findings and advise improvements. |
|---|---|

## SDLC QA Review Dashboard

**HoD**
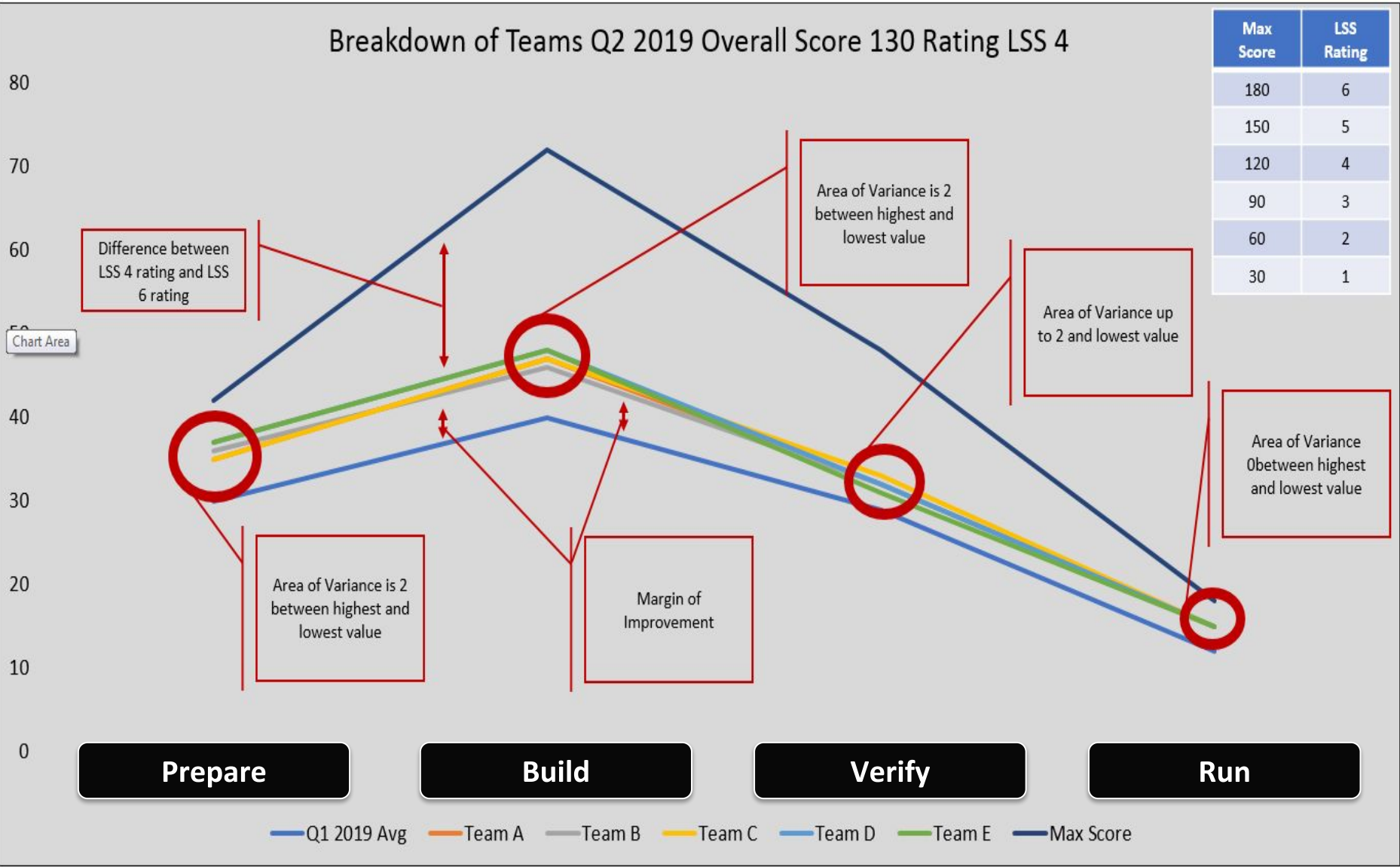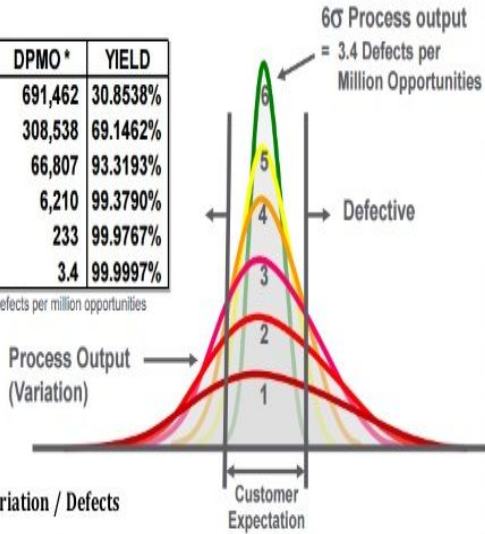**Product / Service:**
**Overall TQM Rating:**    61%
**Lean Six Sigma Rating:**    3

| Stage | SDLC Compliant | Items | Act Score | Avg Score | Max Score | "+/-" Variance (Based on Avg Score) | TQM Rating Per Stage |
|-------|----------------|-------|-----------|-----------|-----------|-------------------------------------|----------------------|
| Prepare | Yes | 7 | 27 | 21 | 42 | 6 | 64% |
| Build | Yes | 12 | 35 | 36 | 72 | -1 | 49% |
| Verify | Yes | 8 | 30 | 24 | 48 | 6 | 63% |
| Run | Yes | 3 | 12 | 9 | 18 | 3 | 67% |
| **Total** | | 30 | 104 | 90 | **180** | | |

Breakdown of Teams Q2 2019 Overall Score 130 Rating LSS 4

| Max Score | LSS Rating |
|---|---|
| 180 | 6 |
| 150 | 5 |
| 120 | 4 |
| 90 | 3 |
| 60 | 2 |
| 30 | 1 |

| SIGMA | DPMO* | YIELD |
|---|---|---|
| 1.0 | 691,462 | 30.8538% |
| 2.0 | 308,538 | 69.1462% |
| 3.0 | 66,807 | 93.3193% |
| 4.0 | 6,210 | 99.3790% |
| 5.0 | 233 | 99.9767% |
| 6.0 | 3.4 | 99.9997% |

* DPMO = Defects per million opportunities

6σ Process output = 3.4 Defects per Million Opportunities

Defective

Process Output (Variation)

Opportunities ⇔ Variation / Defects

Customer Expectation

Difference between LSS 4 rating and LSS 6 rating

Area of Variance is 2 between highest and lowest value

Area of Variance up to 2 and lowest value

Area of Variance is 2 between highest and lowest value

Margin of Improvement

Area of Variance 0 between highest and lowest value

Prepare    Build    Verify    Run

— Q1 2019 Avg  — Team A  — Team B  — Team C  — Team D  — Team E  — Max Score

**Quarter 2 Dashboard**

Totals — Green 76%, Yellow 15%, Red 9%
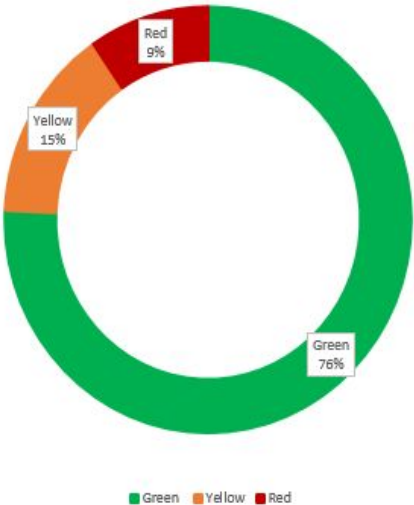
Lean Six Sigma Rating 4

Agile — Green 76%, Yellow 6%, Red 18%

Architecture — Green 60%, Yellow 40%, Red 0%

Development — Green 73%, Yellow 18%, Red 9%

QA & Testing — Green 88%, Yellow 5%, Red 7%

Security — Green 70%, Yellow 12%, Red 18%

Dev-Ops — Green 75%, Yellow 12%, Red 13%

Monitors & Alerts — Green 62%, Yellow 25%, Red 13%
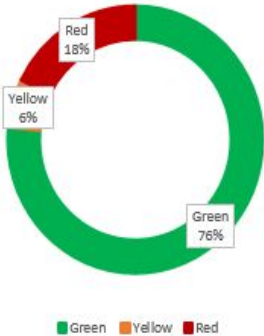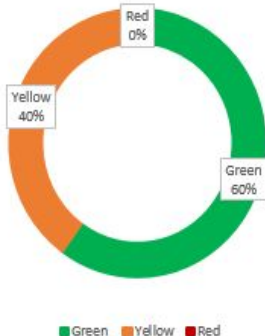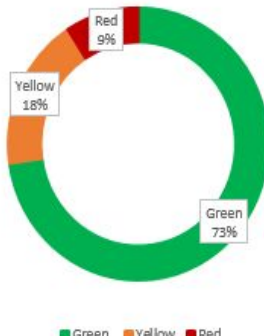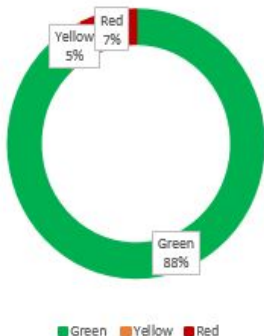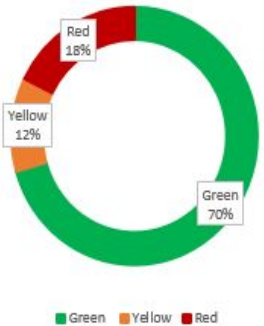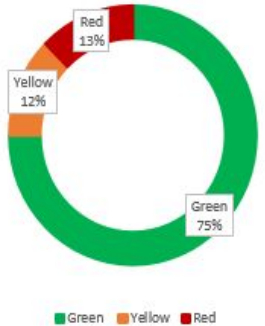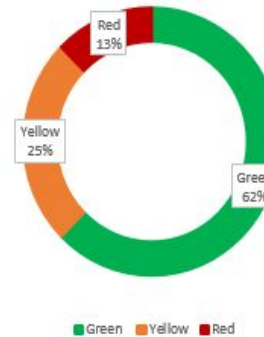
Team Effectiveness — Green 100%, Red 0%
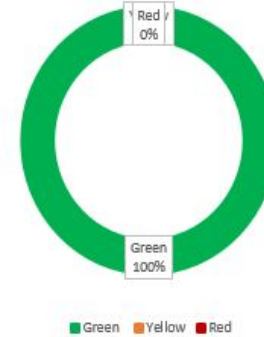
Revisiting the paradigm "How do we remain Agile but adhere to regulation?"

Simples rules to find the way:

1)  One size (delivery method) does not fit all.

2)  Start small and build up incrementally.

3)  Tailor your delivery method to meet regulation.

4)  Keep processes and measurements lean do not over complicate or over analyse.

5)  Know your regulatory bodies and respect / embrace them.

Outcome:
A way can be found to be agile and adhere to regulation.

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**Efficiencies in delivery and benefits to clients.**

Ways of promoting your quality brand, winning new business and keeping your current clients.

When producing a product (software) there is a factor called cost per unit.

Cost per unit is the actual cost of producing the products / services which will take into account various factors like buildings, heating, water, computers and human resources etc..

The second factor is the recommended retail price per unit which the product is sold at.
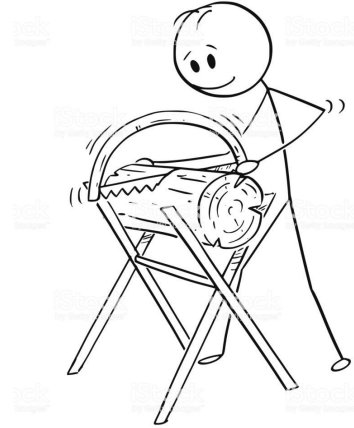
The differentiator between the cost per unit and recommended retail price per unit is the profit margin.

An increase in efficiency has a direct impact on an organisations profitability.

What is the most efficient way an action / task / delivery can be done?

"Measure twice cut once" as the carpenter said to the apprentice.

- This means the apprentice cuts a piece of wood to the correct length avoiding additional effort and waste.

- The quote sets out a clear decision, makes a deceive action, therefore removing inefficient actions or rework.

- How you find inefficiency is through the use of measurement.

- Measurement allows focus to be targeted on areas that would help make the delivery process efficient.

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During the focus of measuring quality you ask questions like:

Are we having to do rework?

If we have to do review how much rework is been done per iteration?

Is there a smarter way to do the tasks?

How efficient / inefficient is the process?

What are the triggers causing inefficiency?

Common root causes may be established.

Common root causes of inefficiency which is not a holistic list:

- Lack of clarity in requirements, tasks, outcomes, team velocity etc.

- Over or under committing on delivery.

Wheel of Efficiency

- Risk taking that goes beyond the wheel of efficiency (unbalanced trade offs).

- Manual intensive tasks in the delivery process which could be automated.
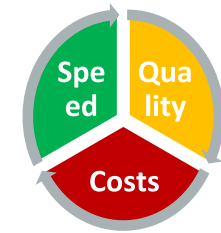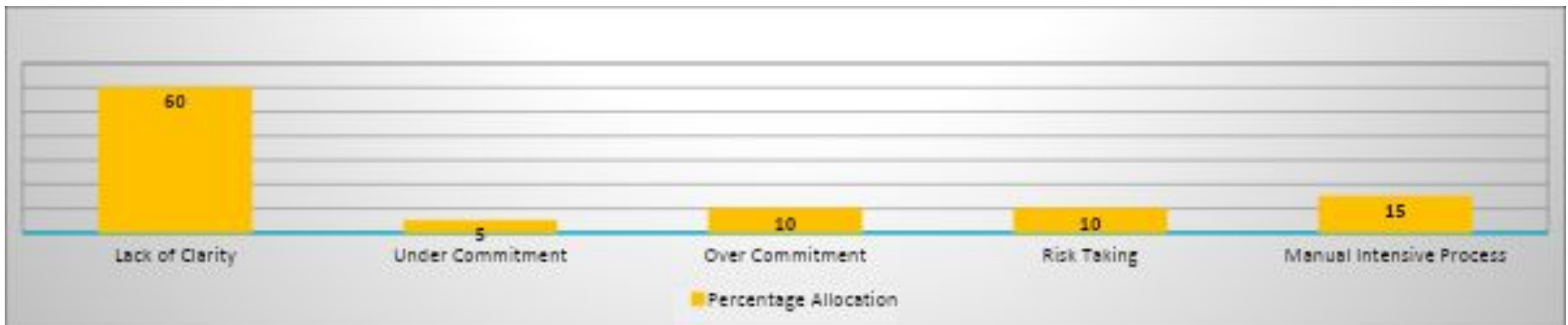
- You cannot address all inefficiencies all at once.

- You can as an organisation work on improvements overtime removing the inefficiencies using Continuous Improvement Plans (CIP's).

- CIP's incorporated into the delivery method can also be measured;

- Which overtime provide tangible improvements which can be demonstrated internally and externally.

The positive effects:

One - Internally change happens at a pace which is more effective to support growth and market reaction.

Two - Due the efficient way change and product delivery happens, the **clients ambitions** are met.

Three - New products delivered to the market is done in a manner that **creates choices and competition**. The agility this brings potentially **generates new business**.

The factor of profitability is increased as **cost per unit decreases** due to improved efficiency.

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# Promoting a Quality Brand

- The question of how much quality do you build into your product or service is crucial for marketeers and sales.

- Quality may constitute the products or services ability to achieve the basic functional requirements.

- A key decider of how much a customer is prepared to pay for your products or services is quality, where quality and value are related.

- Quality modification concerning products and services durability and performance durability will relate to good and /or bad client experience.

# Promoting a Quality Brand

**Branded Apparel**

**Branded Tech**

The obvious answers are supplying apparel and branded tech to current and potential clients that way they remember the brand.

Sponsor sporting events and / or teams which have the highest media foot print.

Attend trade fairs to promote the brand.

But does that really demonstrate your brand is quality, your products are a must have to clients / potential clients?

# Promoting a Quality Brand

The less obvious more influential promotion of brand:

- The first time experience a user has when interacting with your products and services.

- The interaction the organisation has with its clients and their clients.

- The engagement of client's; demonstrating the journey the organisation has taken and will take to support there clients.

- The sharing and participation in specialist events that support the wider good.

Summarising the presentation, answering the question:

Quality is it all about adding Euro's to the price of services provided to clients?

Simple answer is no, quality is about consistency in eight key area's:

1. Customer Focus
2. Leadership
3. Engagement of People
4. Process Approach
5. Improvement
6. Evidence Based Decision Making
7. Relationship Management
8. Mutually Beneficial Supplier Relationships

Proficiency in all eight key area's will have a positive effect on profitability.

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# Q & A