



Building and Maintaining a Successful Quality Management System

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Teknosa Company

Quality Management at Teknosa





- 2.1. Drivers for Quality Management
- 2.2. Quality Management Standards
- 2.3. Scope of the Quality Management
- 2.4. Approaches Taken for Doing Quality Management
- 2.5. Involvement
- 2.6. Technology Solutions
- 2.7. Typical Challenges
- 2.8. Results Achieved

General Advice on Quality Management

- 3.1. How Best to Start with a Quality Management Project?
- 3.2. How to Ensure a Successful Implementation?
- 3.3. How to Maintain Success / Keeping the Quality Management Process Healthy?

Questions and Answers & Wrap Up

1. Teknosa Company

-  **TEKNO SA** is founded in year 2000.
-  Sabancı Holding Company, a leading Holding with a consolidated turnover of ~ 15 Billion USD.
-  +3.000 employees
-  Brands:



- selling electronic products
- 900 million \$ sales revenue



- selling heating and air condition products
- 90 million \$ sales revenue



1. Teknosa Company

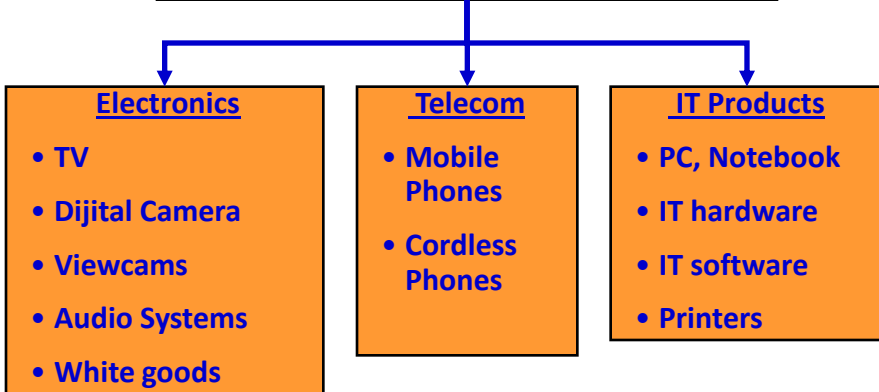


Retailing



More than 200 stores in 58 cities

Main Product Groups

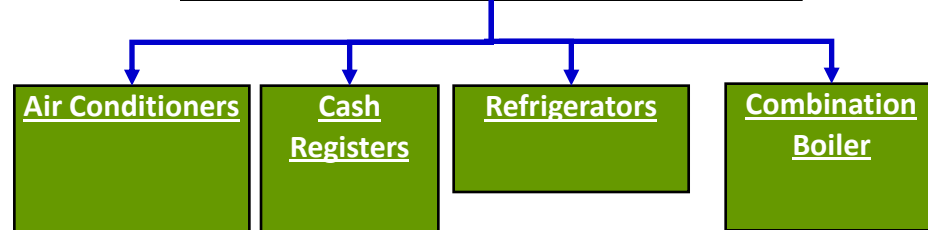


Distributor Group





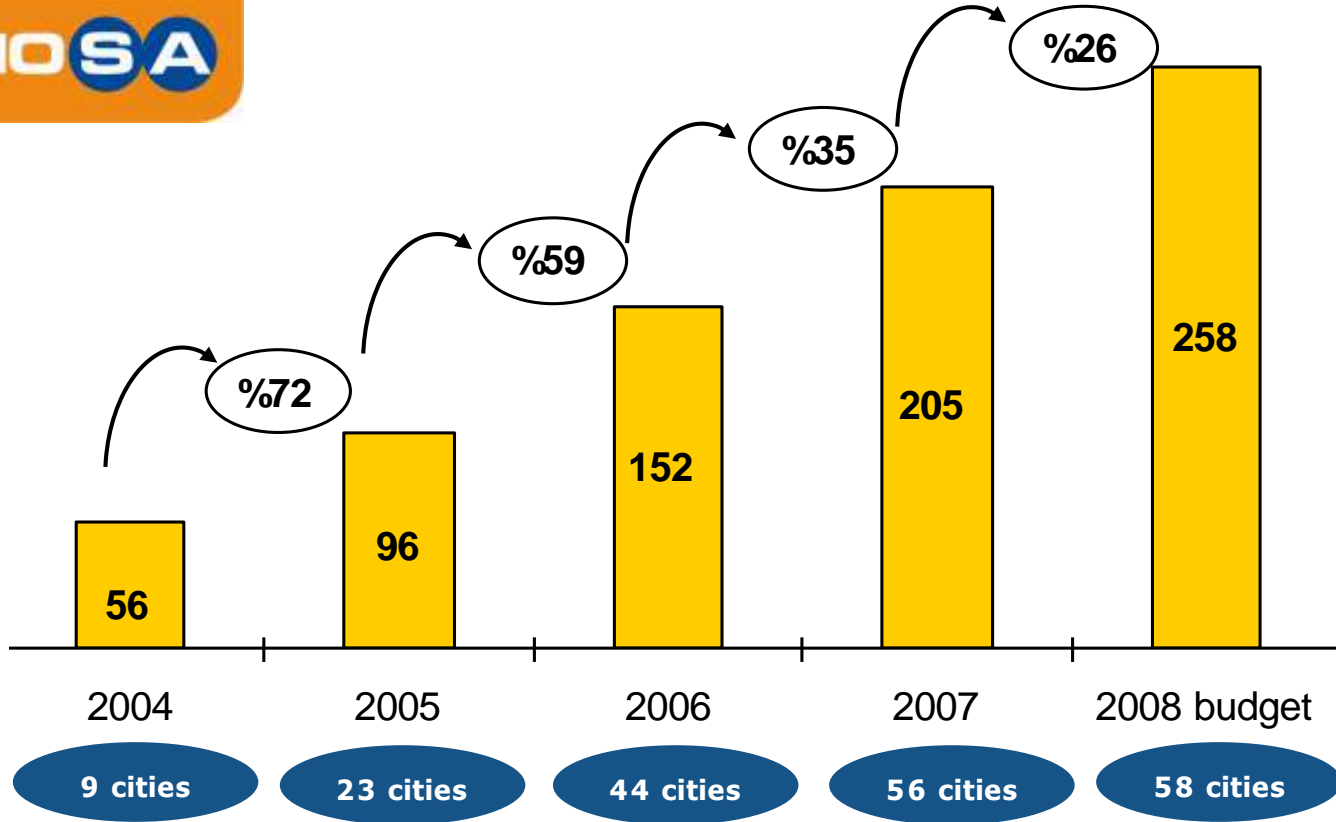
Over 200 dealers and 500 services

Main Product Groups



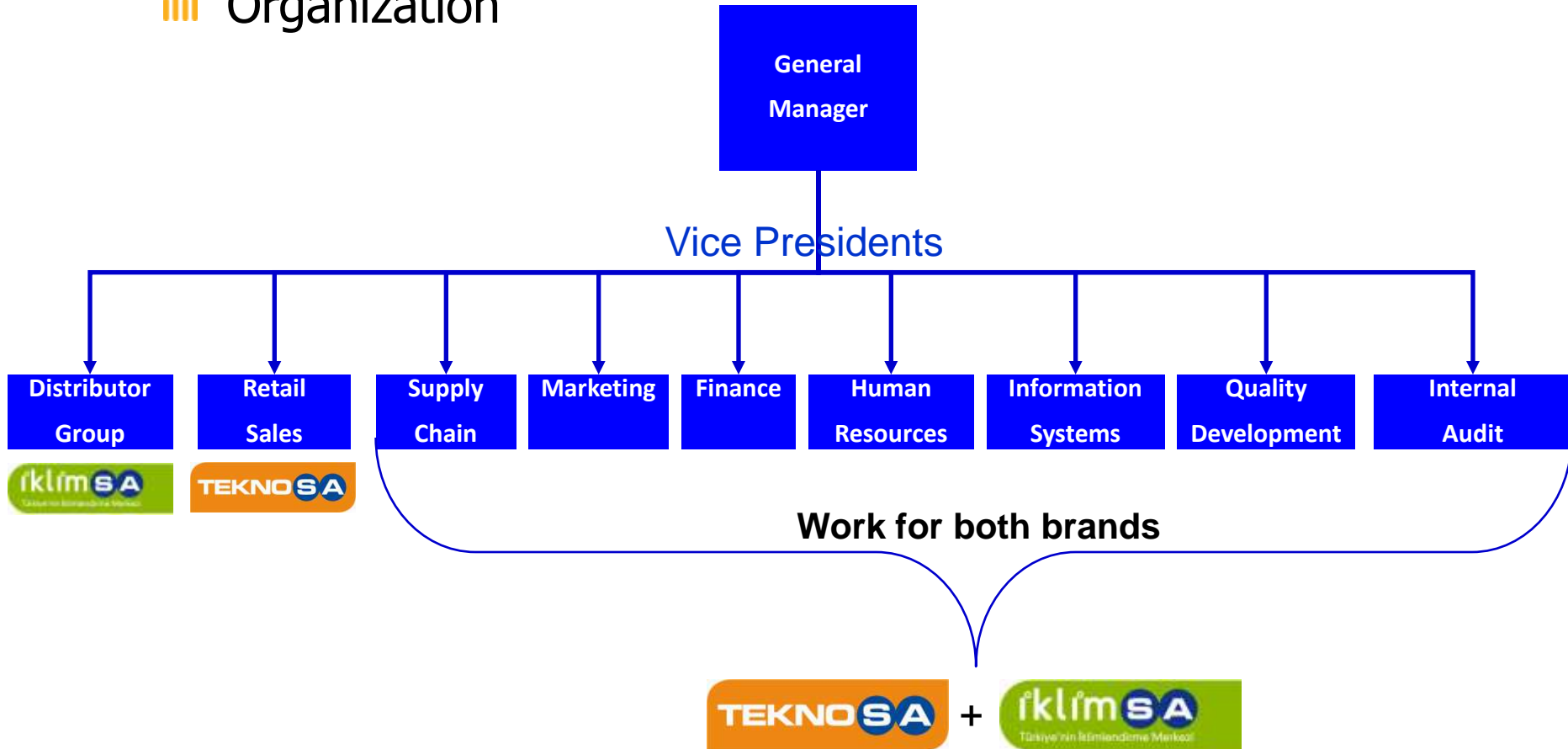
1. Teknosa Company

-  Teknosa sales revenue grew 3.3 times from 2004 to 2008. (Average 37% per year)
-  Teknosa stores network grew rapidly in the last 4 years.



1. Teknosa Company

Organization



2. Quality Management at Teknosa

2.1. Drivers for Quality Management

2.2. Quality Management Standards

2.3. Scope of the Quality Management

2.4. Approaches Taken for Doing Quality Management

2.5. Involvement

2.6. Technology Solutions

2.7. Typical Challenges

2.8. Results Achieved

2.1. Drivers for Quality Management

-  Rapid growth:
 - 5 stores in the year 2000
 - Today, more than 225 stores in 58 cities (72% of all cities in Turkey)
 - Total market size is 5 million Euro
 - The market is growing 5% per year.
-  International competitors coming to Turkey (Mediamarkt, Electroworld, Darty, BestBuy)
-  Establishing standardization in all the stores in a wide geographical area
-  Measuring and monitoring performance
-  Making continuous improvements
-  Achieving operational excellence

2.2. Quality Management Standards


Principles of Quality Management:

1. Customer Focused Organisation
2. Leadership
3. Involvement of People
4. Process Approach
5. System Approach to Management
6. Continuous Improvement
7. Factual Approach to Decision Making
8. Mutually Beneficial Supplier Relationships

2.3. Scope of the Quality Management

Scope of ISO 9001:2000 Certificate for Teknosa



-  Management of marketing, supply and sales activities, sales channels and after sales services of all Teknosa stores operating in Turkey and alternative sales channels (internet, telephone, corporate sales), conducting sales and after sales services in stores and in alternative sales channels.




ISO 9001:2000
FS 523937

2.3. Scope of the Quality Management

Scope of ISO 9001:2000 Certificate for İklimsa




 Management of marketing, supply and sales activities, sales channels and after sales services of heating, cooling products, refrigerators and cash registers by İklimsa climatization centers and business partners, dealer and wholesaler channel and corporate sales channels.



ISO 9001:2000
FS 526016

2.4. Approaches Taken for Doing Quality Management

-  Quality Focused Employee
-  Documentation Management
-  Process Management
-  Strategy Management
-  Balanced Scorecard
-  6 Sigma Methodology

2.5. Involvement

Quality Focused Employee

- ||| The key personnel are taken "ISO 9001:2000 and Internal Auditor Training", and named **teknolite**.
- ||| Every store manager and one employee from each department in the headquarter are Teknolite members.
- ||| Now, total number of Teknolite is 326. In other words, one of 10 employees in Teknosa is Teknolite.



- Selection of documentation management software: E-isoft
- Training of Teknolite about the use of the program in detail.
- Carrying all documents (procedures, forms) into the software
- Today, each employee can access program with his/her personnel number.
- Tasks (reading, giving opinion) are e-mailed to the employees after a document is created or revized.
- Corrective actions are reported and followed on software.

2.5. Involvement

Process Management



- Selection of Process Management Software: QPR Process Guide
- Selection of Consulting Firm: Ironman Consulting.
- Defining and Mapping Teknosa processes
 - Teknosa general process map was formed by top management with a two-days workshop.
 - Employees in charge of the process were attended from different departments in workshops.
 - 140 processes were mapped.
 - 131 employees were attended.
 - 113 workshops were organized.
 - The project finished in 4 months.

2.5.Involvement

Process Management

Process Charts: Today: 6 Main, 7 Support and 190 Sub Processes



2.5. Involvement

Process Management

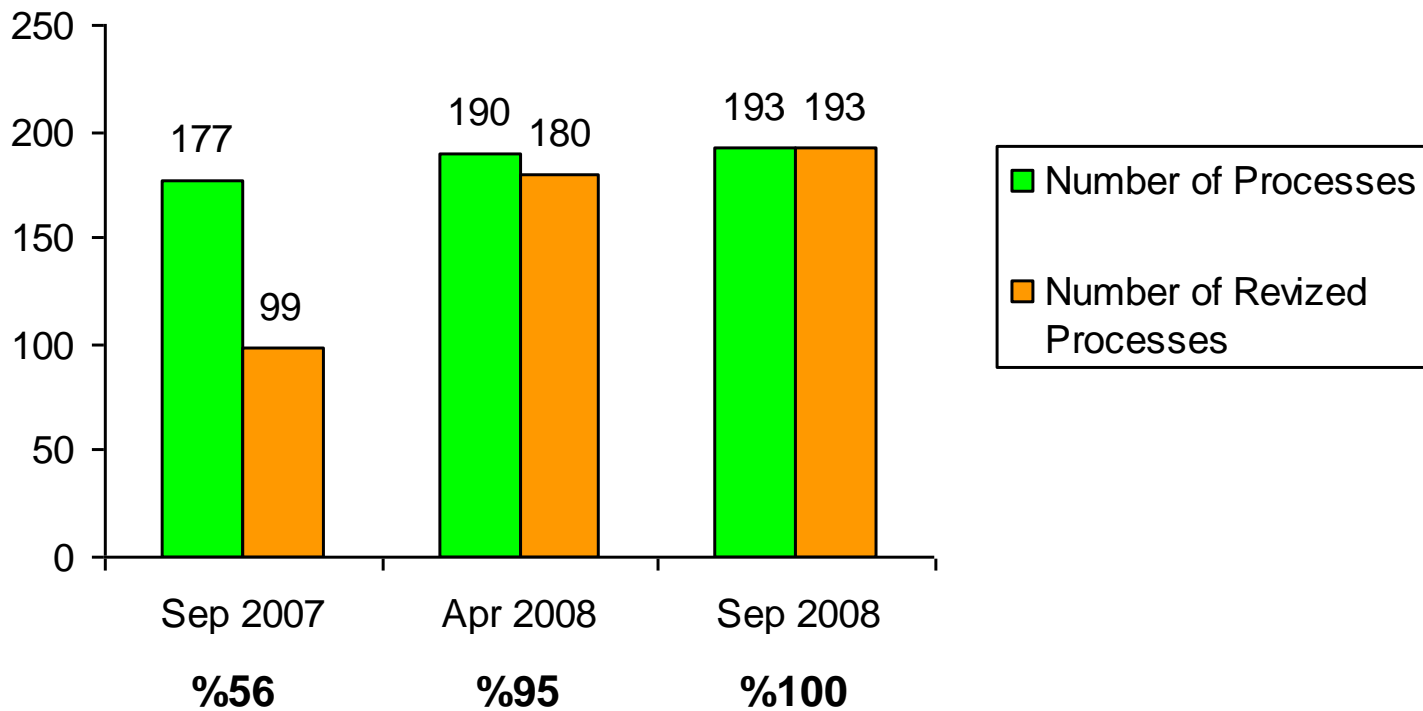
- Integration of E-isoft Documentation software and QPR Process Guide.
 - Facilitates users to reach the quality documentation over process charts.
- Top management review and approval of processes
- Training of personnel about QPR portal
- Viewing of processes over QPR portal
 - Top management can view all processes.
 - Teknolite members and department managers can only view processes related to their departments.
- As of Today
 - 3 Process Guide Designer licenses
 - 47 Communicator Users (Total # of licences is 50)
 - 333 View Users for processes, 232 in stores, 101 in headquarters (Total # of licences is 400)

2.5. Involvement

Process Management

Updating processes






- Teknolite or the department manager informs the Quality Development Department about the changes.
- 494 revisions in 193 processes. (As of Sep'08)



of the processes is revised.



2.5. Involvement

Strategy Management

-  Planning strategy for the coming 3 years (X+3)
-  Strategy workshop organized every year
-  Attendance of :
 - Board Member
 - General Manager
 - Vice Presidents
 - Managers reported directly to vice presidents
-  Formulating strategy during one day workshop
-  Discussed Topics:
 - General industry situation
 - Teknosa situation
 - SWOT analysis
 - Industry scenarios
 - New business opportunities

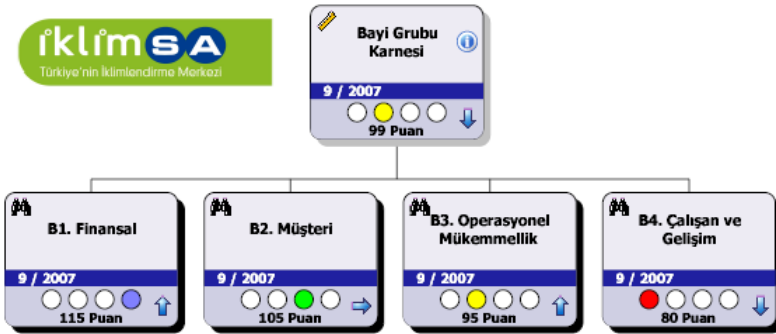
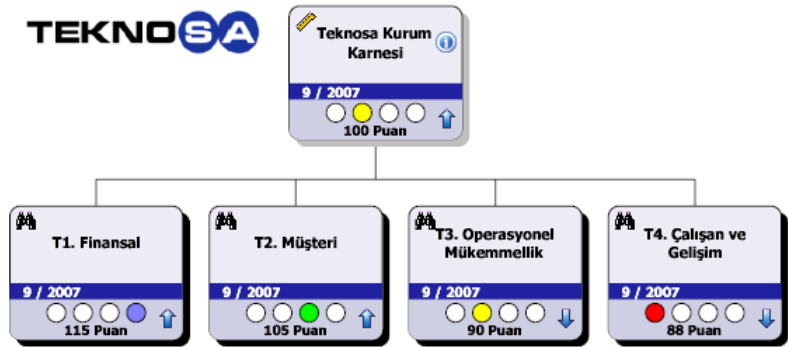
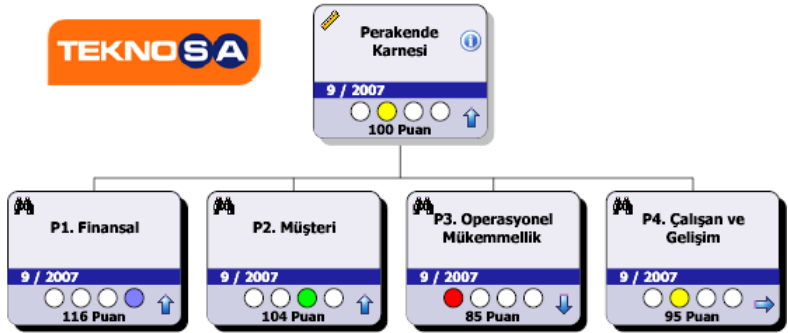
2.5. Involvement

Balanced Scorecard

- ||| Selection of Balanced Scorecard Software: QPR Balanced Scorecard
- ||| Selection of Consulting Firm: Ironman Consulting
- ||| Drawing Teknosa strategy map with top management
- ||| Determining critical KPIs related to each strategy
- ||| Three scorecards are formed:
 - one for **TEKNOSA** firm as a roof,
 - and the others for  and  brands respectively.

2.5.Involvement




Balanced Scorecard



2.5. Involvement

Balanced Scorecard

Strategic Objectives and Indicators in Teknosa BSC Model

			
# of Strategic Objectives	17	17	10
# of Indicators	35	50	29

2.5. Involvement

Balanced Scorecard

- Top management review and approval of KPIs.
- Each KPI was assigned to vice presidents as responsible.
- Data responsible employee from each department were defined.
- Training about QPR portal – Scorecards.
 - Top management – One to one training
 - Managers – Group training
 - Data Responsibles – Group training
- Data entry into the scorecards:
 - Data responsibles enter the data for KPI till 15th of every month.
 - Data entry date are reminded by e-mail alert.
 - Financial data integration is done over Excel files.
 - Ratio of manuel input is 62% now.

2.5. Involvement

Balanced Scorecard

- Viewing of scorecards over QPR portal by personnel

Viewer	Authorization
<ul style="list-style-type: none"> • Head of Board • General Manager • Vice Presidents 	Can access all scorecards and KPIs.
<ul style="list-style-type: none"> • Managers • Teknolite 	Can access the scorecards and KPIs that are only related to his/her department.

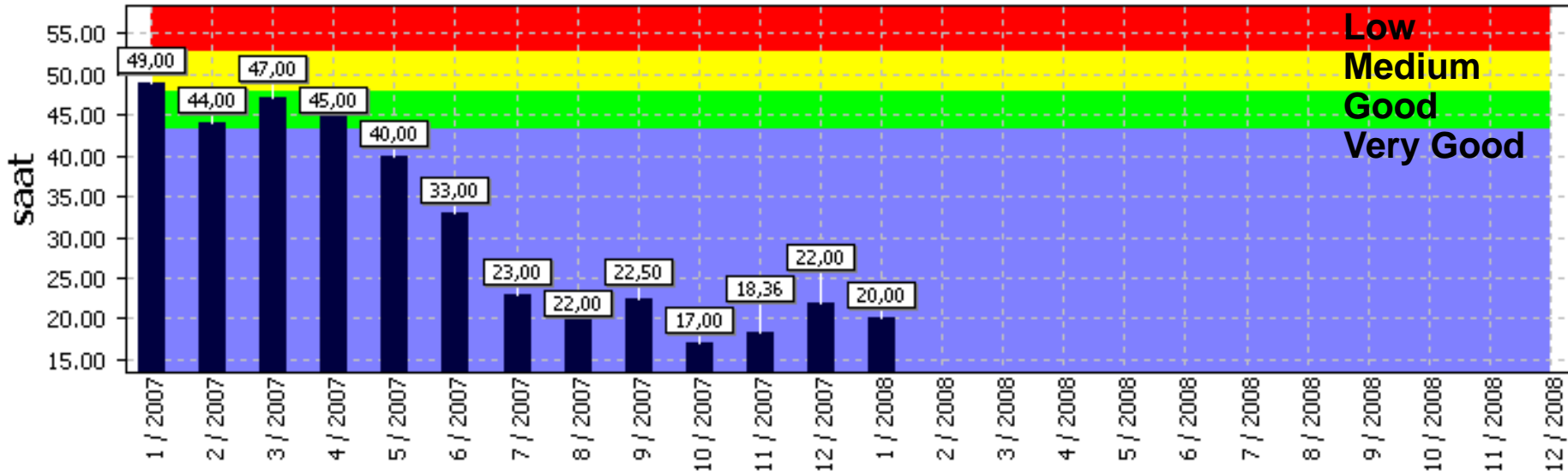
- As of Today
 - 3 ScoreCard Designer licenses
 - 47 Communicator users (Total # of licences is 50)
 - 62 Viwer for scorecards (Total # of licences is 400)

2.5.Involvement

Balanced Scorecard

Meaning of Colours

P2.1.3. Şikayet Çözüm Süresi



- Realized <90 Low
- 90 ≤ Realized <100 Medium
- 100 ≤ Realized <110 Good
- 110 ≤ Realized Very Good

2.5. Involvement

Balanced Scorecard

Periodic review and reporting

- After monthly data entry is completed, yearly performance of the KPIs* are prepared over QPR portal.

Perakende Karnesi

Dönem: Tümü için en son Seriler: Varsayılan serile

Hiyerarşi	Dönem	Oca	Şub	Mar	Nis	May	Haz	Tem	Agu	Eyl	Eki	Kas	Ara	Sorumlu
Perakende Karnesi	Ay	●	●	●	●	●	●	●	●	●	●	●	●	Mehmet.Nane
P1. Finansal	Ay	●	●	●	●	●	●	●	●	●	●	●	●	Mehmet.Nane
P2. Müşteri	Ay	●	●	●	●	●	●	●	●	●	●	●	●	Mehmet.Nane
P2.1. Müşteri Hizmetlerini Etkinleştir	Ay	●	●	●	●	●	●	●	●	●	●	●	●	Kadircan.Erkiralp
P2.1.1. Şikayet Oranı	Ay	●	●	●	●	●	●	●	●	●	●	●	●	Kadircan.Erkiralp
P2.1.2. İade Oranı	Ay	●	●	●	●	●	●	●	●	●	●	●	●	Mehmet.Nane
P2.1.3. Şikayet Çözüm Süresi	Ay	●	●	●	●	●	●	●	●	●	●	●	●	Kadircan.Erkiralp
P2.1.4. Çağrılarının Karşılama Oranı	Gün	●	●	●	●	●	●	●	●	●	●	●	●	Kadircan.Erkiralp
P2.1.5. Zamanında Karşılana Çağrı Oranı	Gün	●	●	●	●	●	●	●	●	●	●	●	●	Kadircan.Erkiralp
P2.2. Pazar Payını Arttır	2 Aylık	●	●	●	●	●	●	●	●	●	●	●	●	Kadircan.Erkiralp
P2.3. Rekabetçi Koşullarla Ürün ve Hizmet Sun	Ay	●	●	●	●	●	●	●	●	●	●	●	●	Bulent.inel
P2.4. Sürekli Büyüme Sağla	Çeyrek	●	●	●	●	●	●	●	●	●	●	●	●	Bulent.Gurcan
P2.5. Müşteri Devamlılığını Sağla	Ay	●	●	●	●	●	●	●	●	●	●	●	●	Kadircan.Erkiralp
P3. Operasyonel Mükemmellik	Ay	●	●	●	●	●	●	●	●	●	●	●	●	Mehmet.Nane
P4. Çalışan ve Gelişim	Ay	●	●	●	●	●	●	●	●	●	●	●	●	Mehmet.Nane

(* All data in the presentation are not actual.

2.5. Involvement

Balanced Scorecard

- Low Performance Indicators Report*
 - Reported to General Manager every month.
 - Only low (Red) performance indicators are listed for each scorecard.
 - The frequency of "red indicators" throughout the year is counted, and then reported from highest frequency to lowest.
 - General Manager takes monthly reviews for low indicators with Vice Presidents.

PERAKENDE KURUM KARNESİ KRİTİK PARAMETRELER TABLOSU - MAYIS'08																
TEKNOSA	Dönem	2007						2008					Kırmızı Olduğu Dönem Sayısı	Sorumlu		
		May	Haz	Tem	Agu	Eyl	Eki	Kas	Ara	Oca	Şub	Mar			Nis	May
		P4.2.2. Zamanında Kapanan DÖFİ Oranı	Ay	●	●	●	●	●	●	●	●	●			●	●
P4.1.3.1 Kişi Başına Eğitim Saati	Ay	●	●	●	●	●	●	●	●	●	●	●	●	3	Asena Yalnız	
P3.1.2. Dağıtım Giderleri	Ay	●	●	●	●	●	●	●	●	●	●	●	●	1	Bülent İnel	
P2.1.2.1.1. Mağazacılık Arıza Nedeniyle İade Oranı	Ay	●	●	●	●	●	●	●	●	●	●	●	●	1	Bülent İnel	

2.5. Involvement

Balanced Scorecard

Action Plans

- An action plan is initiated for each low performing indicator.

B2.1.1.3. Buzdolabı Şikayet Oranı (Bayi Grubu Karnesi)

1 / 2008: 0,84 %

Tanım : Ürün Bazlı Son Kullanıcı Şikayetleri

Sorumlu: Kemal.Yaman

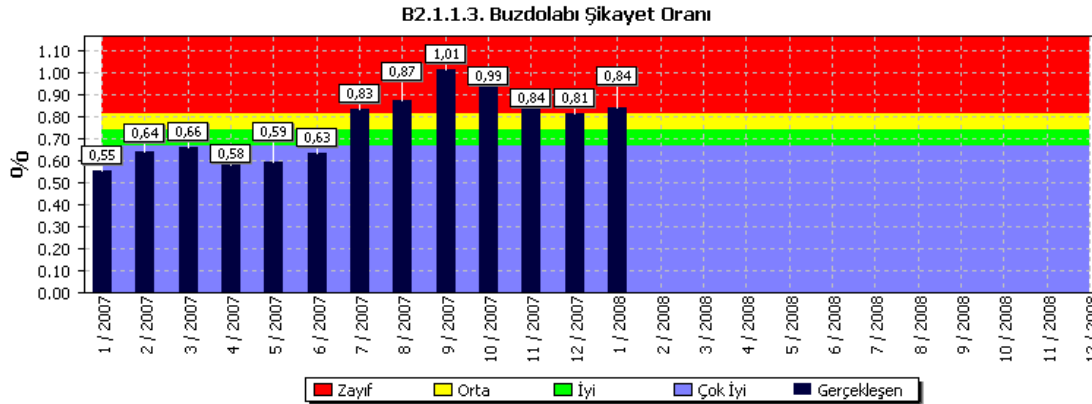
Formül : (Son bir yılda gelen şikayet sayısı /Son bir yıldaki satış adedi)*100

Veri Kaynağı :Müşteri Hizmetleri Şikayet Raporları

Grafik

[Grafik Ayarları]

Owner






Son Aksiyonlar [-> Aksiyonlar - 1 / 2008]

Tip	Üstbilgi	Kişi	Tarih
	Buzdolabı şikayet oranı Eylül Performansı	Umit.Ozen	
<input checked="" type="checkbox"/>	temmuz ayı buzdolabı şikayet oranının yüksekliğinin sebebi	Noyan.Unalan	2/8/20
<input checked="" type="checkbox"/>	RE: temmuz ayı buzdolabı şikayet oranının yüksekliğinin sebebi	Kemal.Yaman	2/8/20
	RE: RE: RE: Buzdolabı şikayet oranı Eylül Performansı	Kemal.Yaman	2/8/20
	RE: RE: Buzdolabı şikayet oranı Eylül Performansı	Senem.Kutluat	2/8/20

Quality Department starts an action plan for red KPIs.

Selection of 6 Sigma Projects

-  6 sigma project selection criteria:
 - Strategy compatibility
 - VOC (Voice of Customers)
 - Low performance KPIs
-  KPI Owners demand 6 sigma projects for KPIs deviating from the target and becoming red for a long term.
-  Nearly half of 6 sigma projects were selected from these KPIs on scorecards.

2.5. Involvement

6 Sigma Projects



- 
 6 sigma projects done in 2008:
 - 9 projects, ~ 2,5 Million USD gain in total.

- 
 6 sigma projects related low KPIs in 2008:

6 Sigma Projects	KPI
Decreasing the amount of unsold products in stores	Inventory turnover rate
Decreasing employee turnover rate	Employee turnover rate
Increasing the store sales/m ²	Store sales/m ²
Decreasing customer complaints of air-conditioner	Rate of air-conditioner complaints
Decreasing the damage rate of refrigerators	Rate of damaged products in Iklimsa

2.6. Technology Solutions

 Documentation Management Software



 Process Management Software



 Balanced Scorecard Software



 Statistical Software for 6 Sigma Projects



2.7. Typical Challenges

- ||| **Challenge #1** : Applying quality management system and ensuring standardization in all Teknosa stores in a wide geographical area.
- ||| **Solution #1:**
 - Training and certifying each store manager as Teknolite
 - Holding store manager and deputy manager responsible for ensuring the standardization
 - Internal audits of stores by other store managers (Teknolite)
 - Internal audits of Quality Development Department



2.7. Typical Challenges

- ||| **Challenge #2** : Ensuring everybody to get familiar with the processes and quality documentation.
- ||| **Solution #2:**
 - Selecting the right technology solutions (User-friendly and can be reached over Intranet)
 - Training employees on technology solutions
 - Visiting and auditing all stores at least twice before each ISO 9001 audit.



2.7. Typical Challenges

- ||| **Challenge #3** : Ensuring timely update of processes and documentation.
- ||| **Solution #3:**
 - Making department managers and Teknolite members responsible for informing the changes in processes to Quality Development department.
 - Making all personnel conscious about using “Revision Demands” feature in E-isoft software for documents, as soon as they realize a nonconformance to what is written and what they actually do.
 - Reviewing processes and documentation during periodic ISO 9001 internal audits.



2.7. Typical Challenges

Challenge #4 : Ensuring measurement and monitoring of process performance, a requirement of ISO 9001

Solution #4:

- Corporate Scorecard Indicators are linked to First Level Processes

P3.1.1. Ürün Tedarikçisi Seçme ve Değerlendirme

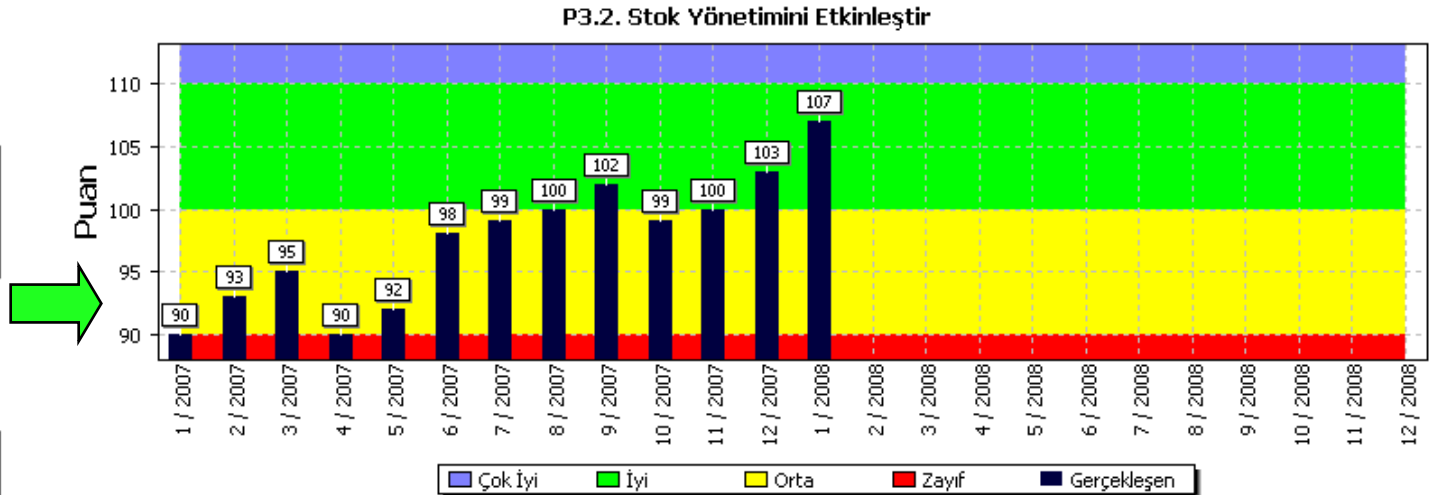
P3.4.1. Ürün Grubu Bazında Brüt Kar Marjı Oranı

P3.1.2. Stok Planlama ve Kontrol

P3.2. Stok Yönetimini Etkinleştir

P3.1.3. Ürün ve YP Satılma

P3.4. Rekabetçi Satılma Koşulları Sağla



2.7. Typical Challenges

 **Challenge #5** : Quick launch of applications, especially on Scorecard

 **Solution #5:**

- 1-1 training sessions at managers' offices rather than the official class training for using scorecard over QPR portal.
- Training all personnel in the headquarters about using E-isoft software.
- Training only Teknolite in stores about E-isoft and QPR portal, but making them responsible for teaching these software solutions to all store personnel.



2.7. Typical Challenges

Challenge #6 : Ensuring top management to review low performing KPIs.

Solution #6:

- Preparing critical indicators reports for scorecard
- Sending this report to General Manager
- Action planning for low performing KPIs over QPR portal
- “Incomplete actions” report is sent automatically to Vice Presidents weekly on every Monday

Incomplete actions report:

Aksiyon analiz görünümü


Üstbilgi	Oluşturan	Sahibi	Başlangıç	Termin	Şuna bağlı	Durum
Kişi Başına Eğitim Saati (Merkez) Kasım performansı	Umit.Ozen	Asena.Yaliniz	1/3/2008	1/3/2008	M4.1.3.1. Kişi Başına Eğitim Saati (Merkez)	Devam Ediy
M4.1.3.1. Kişi Başına Eğitim Saati (Merkez) Ocak 2008	Umit.Ozen	Asena.Yaliniz	3/5/2008	4/5/2008	M4.1.3.1. Kişi Başına Eğitim Saati (Merkez)	Devam Ediy
Kişi Başına Eğitim Saati (Bayi Grubu) Aralık Ayı Performansı	Umit.Ozen	Asena.Yaliniz	2/5/2008	3/5/2008	B4.1.3.1. Kişi Başına Eğitim Saati	Devam Ediy
RE: Çalışan Devir Oranı (Bayi Grubu) Aralık Ayı Performansı	Asena.Yaliniz	Asena.Yaliniz	2/5/2008	3/5/2008	Çalışan Devir Oranı (Bayi Grubu) Aralık Ayı Performansı	Devam Ediy
Verilen Eğitimlerin Sayısının Üçüncü Çeyrekteki Performansı	Umit.Ozen	Asena.Yaliniz	11/7/2007	12/1/2007	P4.1.3.2. Verilen Eğitimlerin Sayısı	Devam Ediy
RE: Kişi Başına Eğitim Saati (Bayi Grubu) Aralık Ayı Performansı	Asena.Yaliniz	Asena.Yaliniz	2/5/2008	3/5/2008	Kişi Başına Eğitim Saati (Bayi Grubu) Aralık Ayı Performansı	Gözden Geçirildi
Çalışan Devir Oranı (Bayi Grubu) Aralık Ayı Performansı	Umit.Ozen	Asena.Yaliniz	2/5/2008	3/5/2008	B4.1.4. Çalışan Devir Oranı	Gözden Geçirildi

2.7. Typical Challenges

- ||| **Challenge #7** : Overcoming departments' intention is to include each operational indicators in their scorecards.
- ||| **Solution #7:**
 - Scorecards must consist of only strategy related parameters (KPIs).
 - “Indicator Pool” was generated for other operational parameters besides scorecard.

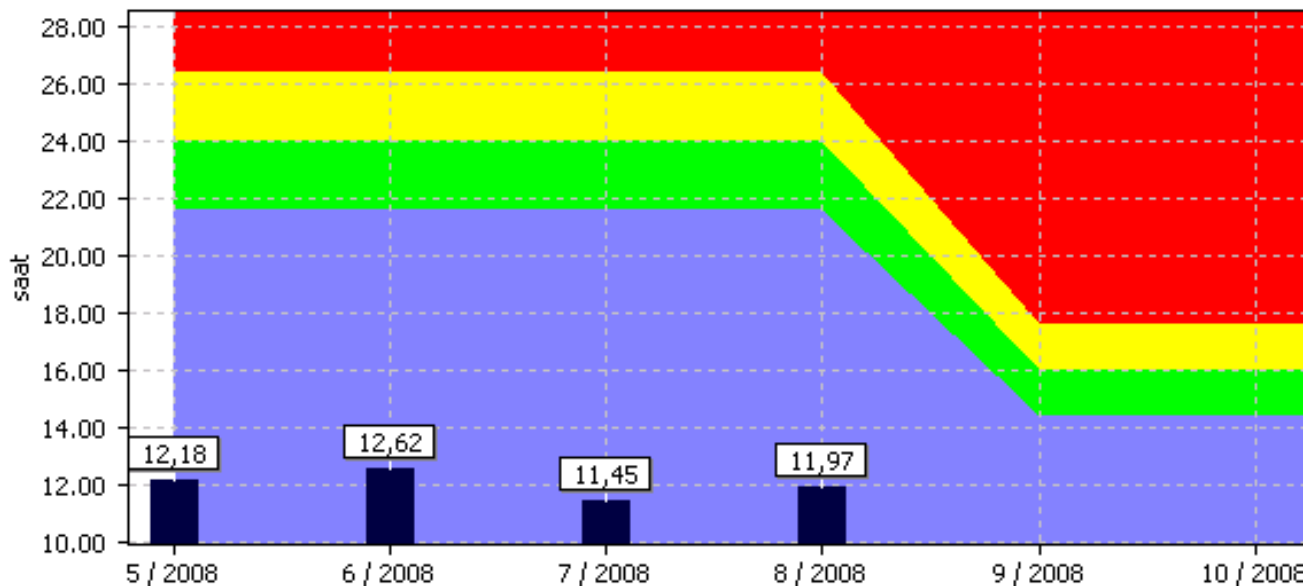


2.7. Typical Challenges

 **Challenge #8** : Setting insignificant targets for KPIs

 **Solution #8:**

- Making periodic review of KPIs with KPI Owners
- Monitoring the “trend” of the KPIs each month
- Analyzing performance and KPI targets with 6 Sigma methodology.
- Targets must be meaningful and challenging to be more competitive.











2.8. Results Achieved

- ||| Getting ISO 9001 certificate which has the widest scope in electronic retailing sector in Turkey, even in the world.
- ||| Achieving standardization in all stores.
- ||| Gaining competitive advantage against competitors.
- ||| Increasing quality consciousness in the group.
- ||| Accessing easily KPIs and strategies on QPR balanced scorecard model.
- ||| Having more customer focused organization and processes.
 - %70 decrease in customer complaint rate between Apr'07 and Apr'08.
- ||| Increasing communication by deep down discussion with technology solutions.
- ||| Achieved effective team works by establishing “Process” oriented focused teams.
- ||| Selecting remarkable 6 sigma projects for better KPI performance.

3. General Advice on Quality Management

- 3.1. How to Start with a Quality Management Project?
- 3.2. How to Ensure a Successful Implementation?
- 3.3. How to Maintain Success / Keeping the Quality Management Process Healthy?







3.1. How to Start with a Quality Management Project?

-  Setting the vision for quality management
-  Knowing the organizational culture
-  Selecting appropriate programs for implementation
-  Selecting best consultants who can understand your needs and talk in the same language with you
-  Planning the whole process, and determining critical milestones
-  Preparing top management for what it is to come, and getting their full support
-  Defining processes
-  Gathering all documentation in documentation management program

3.2. How to Ensure a Successful Implementation?

- Convincing employees about the benefits of quality management.
- Training personnel about quality management and programs.
- Keeping close contact with employee and coaching them whenever necessary until they can do it on their own.
- Satisfying open communication.
- Making periodic site/department visits and audits.
- Keeping good track of corrective actions.
- Reporting the progress regularly to general manager.
- Feeling top management support every time.
- Sharing quality results with employees.
- Doing internal questioneries to improve critical issues.

3.3. How to Maintain Success / Keeping the Quality Management Process Healthy?

-  Making this a living culture by consistent monitoring.
-  Training the new comers about quality.
-  Making all personel conscious about timely updating of processes and documentation.
-  Implementing PDCA (Plan-Do-Check-Act) cycle effectively.
-  Tracking the performance of KPIs and reporting any deviations from target.
-  Taking quick actions on corrective action requests (internal and third party audits).

Questions and Answers & Wrap Up