

### **Business Services Common: Too many mistakes and rework**

There is a large amount of wasted time and material due to errors which have occurred and have required correcting.

#### **Indicators**

- Labour time and materials usage has increased without a corresponding increase in production.
- Returns have increased as have customer complaints.
- Decreasing production has led to delayed deliveries.
- There may be low staff morale.
- The business's gross profit ratio is falling.
- There is a slow turnaround from customer request to delivery of goods/services.

#### **Causes of the problem**

- There is little or no effective staff training to teach staff the correct way of conducting their job.
- Staff may not be encouraged to perform to their peak levels.
- There is no follow up on problems discovered by quality control.
- Lack of supervision at all stages of production.
- There are no quality control procedures.
- Industrial sabotage.
- Staff turnover is unacceptably high.

#### **Short term solutions**

- Examine all problems discovered by quality control and eliminate the root causes. If there are no quality control procedures currently in use, create them (eg at each stage of production the product should be examined).
- Create incentives for staff to perform to their peak levels (eg pay a bonus to the employee who makes the least mistakes).
- All returns should be examined and a register kept which categorises all the mistakes so the major problems can be identified quickly.

#### **Long term solutions**

- Staff training should be conducted to ensure that all staff have sufficient knowledge and skills to perform their jobs to the greatest effect.
- Create procedures that eliminate the causes of the problem (ie prevention is better than a short term cure).
- Examine the possibility that industrial sabotage exists and if so eliminate the destructive elements.
- Improve staff morale.



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