

# **QUALITY COSTS**

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**NORTH JERSEY SECTION  
MEETING  
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**Joel Schwartzman  
Enzon Pharmaceuticals**

# ORIGIN OF CONCEPT

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- ❑ Originally introduced in 1956 by Feigenbaum
- ❑ Products became more complex
- ❑ Customer's expectations were becoming more sophisticated
- ❑ Quality Improvements were being made and needed to be measured
- ❑ ITT and Westinghouse were using concept in 50's and 60's

# SOME ADVANTAGES

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- ❑ Provides management a single overview of quality.
- ❑ Provides a way to distribute quality costs
- ❑ Improves the effective use of resources
- ❑ Tool to measure quality improvement projects
- ❑ Gets top management attention

# OLD PHILOSOPHY

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- Costs were hidden in financial records
- Accounting departments were not receptive to helping
- IT Departments did not issue reports to follow concepts

# NEW PHILOSOPHY

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- ❑ Accounting Departments now provide information
- ❑ Computer departments now generate data to follow Quality Costs