



“Intellectuals solve problems; geniuses prevent them”. *Albert Einstein*

Joint Meeting
The *Maritime Quality Culture Forum* – of the *American Society for Quality* (ASQ)
And
The *Southeast Section* - of the *Society of Naval Architects and Marine Engineers*
(SNAME)

**Cost of Quality or...Lack of! –
Charting a New Course for Quality in the Maritime Industry,**

Doron Zilbershtein¹

You will never think of driving a car by looking at the rearview mirror. Yet it is a common practice among managers to make decisions based on financial statements that reflects past performance, and/or feedback from a customer satisfaction survey, reflecting customers’ response to an action that was already taken.

While the conventional quality approach is to consider quality as the “silver bullet” that solves problems, contemporary quality is about cultivating a culture of quality. However, **QUALITY** is not widely considered to be one of the more User Friendly and Cost Effective sciences in the maritime industry and in the minds of many, almost always, it is associated with additional cost and time spent on training rather than actually being a productive daily tool.

The key question is: Do we really know and understand what is the *Cost of Quality*? Probably “NOT”

The purpose of this presentation is to unveil the mystery of the *Cost of Quality*, by examining the fundamental’s of the *Cost of Quality*, discussing the real meaning of the various cost elements, such as, **Prevention, Appraisal and Failure**, and exploring, through practical case studies drawn from the maritime industry, how we can also benefit from this knowledge when implementing a quality culture in an organization.

¹ **Doron Zilbershtein** is a Naval Architect, holds an MBA, senior member of American Society for Quality, and a Certified Quality Manager. He is a professor at DeVry University/Keller Graduate School of Management and Carlos Albizu University where he teaches MBA students Organizational Behavior, Leadership and Quality Management. He has experience working in various shipyards around the world, and his area of interest is in the cultivating of quality culture in a diversified workforce. He can be reached via e-mail at: imbeeze2@aol.com

This is the first, in a series of presentations, sponsored by the Maritime Quality Culture Forum that will focus on the subject of Quality Management in the Maritime Industry.

Since quality is about bridging the expectation gap, the discussion will focus on the need to identify, understand, and develop an effective solution that will bridge the set gap, by cultivating a culture of quality in every key discipline. Practical examples will be highlights of problems and the solutions in areas such as, Supply Chain Management, Marketing & Sales, Finance and Accounting, Design & Engineering and Research, Information Technology, Human Resources, Production, After Sales & Customer Service, Inventory Control and even Administration.

The presentation will conclude with an examination of the relationship between *Customer Satisfaction* and *Customer Loyalty*, and *Cost of Quality* and offer practical solution to enhance the business performance.

We hope that by the end of the evening, you will be convinced to drive your car by looking ahead and become proactive, while abandoning driving through the rearview mirror. Always remember that “*Unless you change the process, why would you expect the results to change?*” (Anonymous, Texas Instrument).

Who Should Attend? - Quality Management address issues of concerns to all members of the maritime community, engaging in either, manufacturing or service activities, and the examples discussed will be drawn from both sectors.

We invite professionals from all aspect of the maritime industry to attend, including, but not limited to, managers and leaders, representatives from shipyards and small vessels boat repair yards, government agencies classification societies, marine surveyors, port authorities, maritime attorneys, insurance managers and claim adjusters, engineering & design firms and suppliers of equipment and/or services to the maritime community, as well as students. A special invitation is extend to ASQ members who live and/or work on the West Coast of Florida to join us for an exciting event.

What we will cover? Here are some of the interesting topics we will explore:

- The fundamental of *Cost of Quality*.
- What is a *Quality Culture*?
- How the *Cost of Quality* impacts your organization and its bottom line?
- How to effectively identify, prioritize, track and improve quality costs?
- How to avoid some of the most common pitfalls and misconceptions regarding the *Cost of Quality*?
- How can we improve by utilizing documented “Lessons Learned” ?
- How to improve your bottom line by observing the top line?

What should you bring with you? If you have an interesting story or wish to share you experience regarding quality issues, we encourage you to bring to the meeting a short description, half a page will be sufficient, of the key points of your story and we will ensure that it will be shared and discussed with the audiences.

The Menu: The Dinner will begin at 18:00 hours and be buffet style with two selections available: *Southwest Buffet* or *Oriental Buffet*. Wine and beer, soft drinks & bottled water will be served as well. The menus includes:

SOUTHWEST BUFFET

Salad
 Sautéed Chicken Breast
 Vegetables – Rice & vegetables
 Dessert – Chocolate Kahlua Pie

ORIENTAL BUFFET

Salad
 Szechwan Beef w/ Bok Choy & Broccoli
 Vegetables – Vegetable Stir-Fry
 Dessert – Gingered Custard Mandarin Bavarian Torte

Place: 200 Barge Ave.
 Maritrans Training Center facilities
 Port of Tampa, Tampa Florida – See driving directions.

Date/Time: Tuesday January 31, 2006

Time: 17:30 - 18:30 Cocktail and social Meet & Greet.
 18:00 - 19:00 Dinner
 19:00 - 20:00 Main presentation
 20:00 - 20:20 Q&A
 20:30 - Conclusion

Cost: If registered by Friday, January 20, 2006 \$30; Students: \$15. After the above date: \$32, students \$17. Spouses and guests are welcome.

Registration deadline: Wednesday, January 25, 2006 16:00 hours.

Registration: Contact **Josh Almonte** Tel: (813-209-0643) E-Mail jalmonte@maritrans.com

- Via Mail: Make check payable to Southeast Section of SNAME. And state your choice of menu.
 Mr. Josh Almonte
 SNAME & ASQ Joint Meeting
 Maritrans Operating Company L.P.
 Engineering & Technical Group
 Two Harbour Place – Suite 1200
 302 Knights Run Avenue
 Tampa, FL 33602
- Via Phone: When leaving your name on the voice mail spell out your last name, state your choice of menu (Southwest or Oriental) and leave a phone number in case we need to call you back.

If for any reason you are unable to contact Josh, or lost on your way, we setup alternative contact information:

- Tiffany Clark - BACK UP Telephone # 813-209-0600 E-Mail tclark@maritrans.com
- Carl Dittrich – LAST RESORT Telephone # 813-209-0635 E-Mail cdittrich@maritrans.com
- Tom Hagner – EMERGENCY Telephone # 813-209-0634 E-Mail thagner@maritrans.com

Driving Directions:

Directions to MARITRANS Training Facility: - Going South from the intersection FL Hwy. 60 (aka Adamo Dr.) and 22nd Street proceed south down 22nd Street to the intersection with Maritime Blvd, about 1 ½ miles (a large & busy intersection with traffic lights and the main entrance to the PORT OF Tampa). Please stay in the right hand lane but do not turn right onto Maritime Blvd. Pass straight thru the intersection and take the 1st right and proceed to the Maritrans facility gate on the left. Parking is available both in the front and back of the building inside the chain link fence. Enter thru the front door of the office / training facility building.

Coming from the north on I-275: Proceed south on I-275 and follow the signs to I-4 and get on I-4 by staying to the right and exit at EXIT # 1; 22nd Street. At the bottom of the exit ramp make a right onto 22nd street between the Burger King & a McDonalds and proceed South on 22nd street until you reach the Intersection with Maritime Blvd. and follow the directions as printed above.

Coming from the South on I-275 : Proceed north on I-275, you will pass by Downtown Tampa and its Tall buildings off to your left. Get into the right hand lane so you can exit onto I-4 East.

Follow I-4 East to Exit # 1; 22nd Street. At the bottom of the exit ramp make a right onto 22nd street between the Burger King & a McDonalds and proceed South on 22nd street until you reach the Intersection with Maritime Blvd. and follow the directions as printed above.

Coming from the East on I-4: Follow I-4 East to Exit # 1; 22nd Street. At the bottom of the exit ramp make a left onto 22nd street, pass under I-4 and between the Burger King (on the right) and McDonalds (on the left) and proceed South on 22nd street until you reach the Intersection with Maritime Blvd. and follow the directions as printed above.

If you are coming from the East on FL Hwy # 60: Follow it to 22nd Street and make a left and proceed down 22nd Street. As you travel south down 22nd St. you will see several Oil Terminals, Warehouses and a few CUBAN sandwich shops to your right. Proceed south on 22nd St. until you reach the intersection with Maritime Blvd. and follow the directions as printed above.

At the corner of 22nd Street and Maritime Blvd - the entrance to the PORT of TAMPA. The entrance to the Maritrans Training Facility is outside the SECURITY AREA of the PORT.

Thanks for your cooperation and we are looking forward to meeting with you in the first event of the Maritime Quality Culture Forum.

Bill Hayden – Chairman
SNAME – Southeast Section
Where “Members Making the Difference”
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