Is 99.9% Good Enough?

Remember the “quality” initiatives of the 1980’s and ‘90’s? At the turn of the new millennium (remember Y2K?), we heard about “continuous improvement efforts” in organizations. Today, the latest buzzwords, “performance excellence,” are being used.

Whatever words you choose to use, it’s always about measuring the standard of service/product output. What’s your organization’s standard? Reality says that “quality” standards of 100 percent are never going to be attained. After all, nobody’s perfect. Wouldn’t life be a whole lot easier and less stressful if we accepted a certain amount of predictable human error and build it into the margin? We could even call it something impressive and positive-sounding, like “acceptable quality level” or “the best we can do standard,” for example.

As too many American businesses – “for-profit” and “not-for-profit” - have learned, the idea of an “acceptable” level of mistakes, errors, waste, spoilage – and, consequently, a corresponding level of disgruntled customers – is a trap that can lure an otherwise well-meaning company into the kind of organizational quicksand where size and strength can become a liability instead of an advantage.

In today’s global economy, those who have been charting a course back to competitive excellence say the only acceptable quality level is 100 percent. That’s the standard of measurement. The rationale is simple: Set a standard at 95 percent and people figure they’re doing fine as long as they’re at or near it. In the language of the Malcolm Baldrige National Quality Award, however, performance excellence (quality) is a “race with no finish line.” There’s no time of day or month on the calendar when it’s okay to let up.

Think of it this way, the alternative to setting standards at their highest possible level becomes clearer when you look at the consequences of “almost but not quite.” According to an article written by Natalie Gabel for Training Magazine a few years ago, if 99.9 percent is good enough then…

- Two million documents will be lost by the IRS this year
- 811,000 faulty rolls of 35mm film will be loaded this year
- 32,000 checks will be deducted from the wrong bank accounts in the next 60 minutes
- 1,314 phone calls will be misplaced by telecommunications services every minute
- 12 babies will be given to the wrong parents each day
- 268,500 defective tires will be shipped this year
- 14, 208 defective personal computers will be shipped this year
- 2,200 gallons of coffee assumed to be caffeinated will turn out to be decaf instead – but consumed nonetheless in just one tax firm during the tax season
• 103,260 income tax returns will be processed incorrectly this year
• 2,488,300 books will be shipped in the next 12 months with the wrong cover
• 5,517,200 cases of soft drinks produced in the next 12 months will be flatter than a bad tire
• Two plane landings daily at O’Hare International Airport in Chicago will be unsafe
• 3,056 copies of tomorrow’s Wall Street Journal will be missing one of the three sections
• 18,322 pieces of mail will be mishandled in the next hour
• 291 pacemaker operations will be performed incorrectly this year
• 880,000 credit cards in circulation will turn out to have incorrect cardholder information on their magnetic strips
• $9,690 will be spent today, tomorrow, next Thursday and every day in the future on defective, often unsafe sporting equipment
• 55 malfunctioning ATM’s will be installed in the next 12 months
• 20,000 incorrect drug prescriptions will be written in the next 12 months
• 114,500 mismatched pairs of shoes will be shipped this year
• $761,900 will be spend in the next 12 months on CD’s and DVD’s that won’t play
• 107 incorrect medical procedures will be performed by the end of the day today
• 315 entries in the most recent Webster’s New International Dictionary of the English Language (unabridged) will turn out to be misspelled

Incidentally, 99.9 percent accuracy would be a remarkable improvement in the context of current performance levels. For example:
• A Hewlett Packard study of 300,000 semiconductors from three American firms and three Japanese firms recently found the average failure rate of American chips was over 0.1 percent; the failure rate for Japanese-made chips was zero.
• Since 1995, according to the U.S. Bureau of Transportation, the U.S. airline industry, despite reams of advertising about improved performance, reported:
  o On-Time Arrivals: range from 73.23% - 81.59%
  o Late Departures: range from 16.25% - 20.06%
  o The airline industry also assumes five to ten percent of all luggage will be mishandled and three percent of all checked baggage will be lost en route.
• And don’t look to the heavens for salvation: The Office of Technology Assessment recently published a report stating, “Of the more than 20,000 objects fired into orbit since 1957, fewer than five percent remain operational.”

What about your workplace? What is your organization’s performance standard? What is your personal performance standard? How would your (internal and external) customers rate your personal and organizational performance? How is the environment impacting you and your employees? If you are a “people manager,” how does your personal performance standard affect your employees and, ultimately, the results of the organization?

Is 99.9 percent good enough?

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