Balanced Scorecard: Quality, Time and Theory of Constraints: Analysis as Quality as a Competitive Tool, Financial Tool and Scorecard Analysis – Pentagon Centcom Objective

I. Quality As a Competitive Tool
   a. Quality is defined as the total features and characteristics of a product that add quality.
   b. Focusing on quality decreases the time to achieve efficiency, creates expertise and generates high future revenue for selling it.
   c. ISO9000 – documentation of quality
   d. ISO14000 – environmental standards for quality
      i. Environmental management systems – reduce environmental costs
      ii. Environmental auditing and performance-evaluation systems
   e. Design quality – how the characteristics of a product or a service meet the needs and wants of customers – customer satisfaction
   f. Conformance quality – the performance of a product or service relative to its design and product specifications - actual performance
   g. Balanced scorecard – financial, customer, internal business process and learning and growth.

II. The Financial Perspective: Costs of Quality
   a. Revenue growth, financial aspects and operating income that are related to the balanced scorecard.
   b. The most direct measure of quality is the cost of quality.
   c. Costs of quality include:
      i. Prevention
      ii. appraisal
      iii. internal failure
      iv. external failure costs