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# Diagnosis, risk and efficiency in the implementation of TQM in small and medium enterprises

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#### Abstract

This paper aims to highlight the specific issues relating to risks arising in small and medium enterprises (SMEs) in Romania, which are due to the decrease in the quality of manufacturing processes, making thus necessary to implement TQM to reduce or even eliminate inherent risks. Applying as a working tool the diagnosis analysis, the paper highlights the risks faced by SMEs in their relationships with customers or beneficiaries and with their direct suppliers. If in companies TQM implementation follows an already known protocol, in SMEs there are some specific implementation issues arising on the one hand because their organizational structure is simplified and therefore the staff is assigned multiple tasks, and on the other hand, the steps in the implementation of TQM are much simplified, the company registering a reduction or at best, an aggregation of functions. In addition to specific aspects of risk occurrence, the paper presents aspects aimed at enhancing economic efficiency resulting from the implementation of TQM, for specific cases: a company specializing in constructions.

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#### 1. Diagnostic Analysis

"Diagnosis is mainly aimed assessing the health of the company by measuring performance and vulnerability assessment, identify the causes and context that generated this state without even propose the application of" treatment "and recovery program". (1)

Analysis accurate and efficient diagnosis of an enterprise is made from several perspectives:

• Perspective integrator- company requires diagnosis by a set of systematization and not on levels of organization of activities.

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- Perspective systematical- approach requires a detailed analysis and logic activities.
- potential- perspective is based on potentials of the company, in terms of: human, technical, financial, etc.
- Perspective temporal- appreciation potential and achievements of a company depending on the evolution in time
  - The prospect of bankruptcy diagnosing risk
  - social perspective and strategic perspective are ways that they approach the diagnosis of an enterprise.

Before starting the diagnostic analysis, the expert has to know very well the specifics of the company. In specialized works assertion that meets once it determined the risk occurrence probability distribution can proceed to risk measurement.

The diversity of risk situations on the estimated size is achieved by knowledge of probability and the period in which it occurs. The criteria for classification and evaluation of the effects of the risk occurring are grouped according to three parameters. (2)

- Size-complexity Number of variability
- Important- time factor
- Likelihood uncertainty.

Likelihood of risk occurrence effects depends on the complexity of the system may be at risk: it could be interpreted as objective or subjective, depending on the possibility of knowing the occurrence of phenomena.

Un example: Suppose a probability of occurrence x, for the event and the existence of the relationship AB, (event A given the event B is made), then the likelihood of the event C, ABC chain is determined by the following formula: P If the likelihood of (x, y), events (AB) are dependent or an event is done against the background of the other, I can use formulas to reflect the position of decision maker to risk. After Aftalion and Viallet, size and risk measurement module are depending on attitude to risk, how a decision-maker thinks and consider a risk. The conclusion is that a situation and attitude to risk it a decider, may be formulated alternatives. (C) = P(A) P(B), that is P(C) = x, y

#### 2. Risks in implementer system quality management.

Quality Management System ISO 9001 can be applied in any organization regardless of the number of employees. Whether you have one employee or a large number of employees, size of the organization does not prevent the implementation of the system. And regardless of industry. In case of implementation of the quality management system, the first risk may occur is the choice consulting firm. If the chosen consultant has no experience, it can create more problems than benefits that organization.

Quality management system covers all processes within the organization, and that organization will operate according to procedures established by the consultant and representative organization. In implementing the quality management system can appear a number of issues:

Any activity aimed at development, within the company, is effective only if its outcomes incorporate daily activity, ensuring a higher level, well above the previous activity. In case the result of the improvement can not be introduced and applied in everyday work, we can say that improvement activity has not reached the goal. It finds on the one hand, the organization failed to spur a favorable investment own activity and, on the other hand, operational processes have not registered any progress. Therefore, we continue to face the same problems they had before. The purpose of quality management system implementation is that, through continuous development, to help ensure the dual functions namely: continuous improvement of the activity and regulation of daily operational functioning.

#### 3. Quality Management System operation in construction

In Romania the construction industry statistics show that about 60% of enterprises are SMEs active. To meet diversification requirements of raising plants in construction processes they are forced to implement the Quality Management System. Assessments made in construction, the result is that small companies do not have control organism specialization capitation process of making products.

The client has a say in the product realization process Errors may occur that later cause great damage Control Building work is done by the technical inspector, and the active participation of the client, the results in the journal documenting construction.

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