



Dear Members,

Greetings to all members, patrons and volunteers of the chapter. The new board of PMIWBC started its tenure on 1st July with passion, energy and enthusiasm. The board leadership is committed towards delivering value to our members, project practitioners and professionals through advocacy of best practices in Project Management, collaboration, education and networking opportunities. Through its recent corporate outreach activities with the global brands in the region, the chapter continued its project management awareness campaign across corporate and project management communities.

We are looking for fresh ideas of passionate professionals who have the commitment and drive to anchor various chapter's activities and events in volunteer capacity .

“Good things happen when you get involved with PMI”

**Cheers
Editor's Desk**

COVER STORY **COPQ:COST OF POOR QUALITY IN PROJECTS**

In today's competitive market, majority of the organizations are challenged to provide their customers with products and services at a low cost without affecting the quality of the product. In past, organizations had the apprehension that high quality equals high costs while in reality it is the low quality that affects costs. CoPQ can be defined as “the costs which would be eliminated if an organization's products and the processes in its business were perfect”. In current literature on CoPQ, different authors have established different frameworks, emphasizing different Categories of CoPQ .

Cost of Quality includes any cost that would not be expended if quality were perfect. Specifically, quality costs are a measure of costs associated with the achievement and non achievement of product or service quality, i.e. the total cost incurred by (a) investing in the prevention of non-conformances to requirements, (b) appraising a product or service for conformance to requirements, and (c) failure to meet requirements. For most organizations quality costs are hidden costs. Poor Quality impact organizations in two ways: higher cost and lower customer satisfaction. The lower customer satisfaction creates price pressure and loss in sales, resulting in lower revenues. The combination of higher cost and lower revenues eventually brings on a crisis that may threaten the very existence of the organization.



COPQ: COST OF POOR QUALITY IN PROJECTS

As a general rule quality costs increase as the detection point moves further up the production and distribution chain. The lower cost is generally obtained when errors are prevented in the first place. Its least expensive to detect non-conformance at earlier stages. In the later stages, there is loss incurred from additional work due to defects/errors. The most expensive quality costs are from non-conformances detected by customers. In addition to the replacement or repair loss, an organization loses customer goodwill and their reputation is damaged when the customer relates his experience to others. In extreme cases, litigation may result, adding even more cost and loss of goodwill.

Another advantage of early detection is that it provides more meaningful feedback to help identify root causes.

Prevention Costs: The cost of all activities specifically designed to prevent poor quality in product or services. Examples are the costs of new product review, quality planning, supplier reviews, operation process validation and process control, quality improvement projects, training, six sigma, lean and quality administration etc.

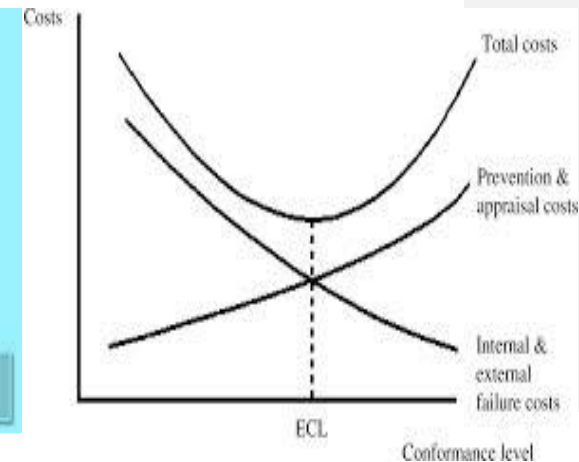
Appraisal Costs: The costs associated with measuring, evaluating or auditing products or services to ensure conformance to quality standards and performance requirements. These includes the cost of incoming and source inspection/test of purchasing material, in process and final inspection/test, product, process or service audits, maintenance, calibration equipment, outside endorsement and certifications, external appraisal costs like field performance evaluation, special product evaluations, field stock and spare parts evaluation, miscellaneous quality evaluations etc.

Failure Costs: The cost resulting from products or services not conforming to requirements or customer/ user needs. Failure costs are divided into internal and external failure cost categories.

Internal Failure Costs: Failure costs occurring prior to delivery or shipment of the product, or the furnishing of a service, to the customer. Examples are product/service design failure costs like rework or scrap due to changes, purchasing failure costs, operation failure costs like troubleshooting, failure analysis, operations corrective actions, rework, repair, scrap costs, internal failure labor losses etc.

External Failure Costs: Failure costs occurring after delivery or shipment of the product, or the furnishing of a service to the customer. Examples are the cost of processing customer complaints, returned goods, retrofit costs, warranty claims, liability costs, penalties, customer/user goodwill, lost sales, other external failure costs.

Total Quality Costs: The sum of above costs. It represents the difference between the actual cost of a product or service, and what the reduced cost would be if there was no possibility of substandard service, failure of products, or defects in their manufacture. $\text{Actual Costs} - \text{Minimum Costs} = \text{CoPQ}$.



By conducting measurements of CoPQ in an organization it is possible to change the mindset of the management and employees or to create commitment from the management. Measuring CoPQ can be used to transfer the effects of poor quality into monetary terms to make the employees aware of the loss that poor quality can create. This will definitely help in getting a buy-in from the management. Moreover, the measurement of CoPQ can be used as a motivation for operators and middle managers to display the cost items that arise in their department. However, for the employees to use measurement systems there have to be commitment from the management, otherwise it will not be used. Further, if the measurements are not accurately done, the information from the measurements can be inadequate, thus making it inaccurate. Consequently, there is a risk that the management will not actively use this information.

However, to overcome this problem the organization can start only to measure the limited number of cost items and later expand the measurement system. Further, the use of CoPQ measurements will also provide the organization with a tool to identify problem areas and to prioritize and pinpoint where the potential improvements should be conducted. Early measurements of CoPQ results in less cost impact for the organization and thus the organization must strive to find the costs early to prevent major and expensive rework. This will also help, scrap together with possible dissatisfied customers or lost reputation. Finally, it is important to know that only measuring CoPQ will not resolve the problems of an organization, instead, it will only give a view on what activities that need to be done in order to improve the quality level of the organization.

"Quality is not an Act but a Habit"-Aristotle

This article was contributed by Supratim Sen, PMP



Project Management National Conference Hyderabad, India 11 - 13 September 2014

Project Management National Conference 2014 is a two and half day professional development event, conducted by Project Management Institute (PMI) India and hosted by PMI Pearl City Chapter, Hyderabad.

The theme of this conference is "**Project Management – the mantra for sustainable growth**". It provides an opportunity for Project Management Practitioners across industries, government, academia, NGOs etc., to exchange ideas on the challenges and emerging trends in projects that are contributing to national objectives.

For further details: <http://www.pmi.org.in/conference2014/>

PMI- West Bengal Chapter Elections

The PMI West Bengal chapter conducted their first election during the months of April - June 2014. Ms. Sonali Bhattacharya passed the baton of presidency to Mr. Nilanjan Chanda. The new Board looks back on Sonali's achievement as President with great respect. With great energy and commitment, she has established a culture of high level performance and made the presence of the chapter felt all over. The Chapter thanks her for her great commitment and for creating a culture of leadership. The Chapter looks forward for the new leaders to enhance the vision and take it to even greater heights

Learn & Earn Event – Project Management in Multicultural Environment

It was an extensive and interactive session on Project Management in multicultural environment of PMI West Bengal Chapter, hosted at IBM Millennium city on 31st May 2014.

Despite a heavy shower with strong winds in the early morning, enthusiastic participants turned up amidst the drizzle and overcast skies to join the experience sharing session, and to network.

Ms. Asima Bhattacharya, who was the speaker for the event, articulated her experience of working with multiple geographies, which was added on with queries/clarifications and experience sharing from participants at regular intervals.

She went on to explain the different nuances of managing project teams in multicultural environments. She also explained how she utilized her experience to build up a project management framework, and seven guiding principles/ground rules which can help any project manager in managing project teams involving multicultural environments.

The event concluded with a networking session over tea, where the participants expressed their contentment on the value add from the session and also shared their willingness to join future events and learn and earn sessions from PMI West Bengal Chapter.

Project Manager's Confluence:

The Project Managers' Confluence was organized on 13th June'2014 at TCS GDC Auditorium, Kolkata, where the best practices in industry were shared and institutionalized. This forum created an opportunity for the project management practitioners to learn the best-in-class solutions from the industry, develop their expertise and to showcase the success stories and case studies. It provided project management professionals a wide range of information and fosters the usage and spread of project management best practices and knowledge. The PMs Confluence was inaugurated by Mr. Sridhar Bakshi, Vice President and Center Head-TCS Kolkata location .The key luminaries of the session were distinguished external speakers from PMI India, PMI West Bengal Chapter and TCS Internal Speakers. The Session commenced with a welcome address by Mr. Sushanta Sinha, Learning Manager-East followed by the inauguration of the session. The four distinguished speakers Jitendra Roy Choudhury from HDRI SALVA , Ms. Leena Gupte representing PMI India, Mr. Nilanjan Chandra representing PMI West Bengal Chapter and Mr. Soumya Chatterjee representing TCS Kolkata spoke on varied topics relating to project management .The anchor for the entire program was Ms. Suparna Bhaumick , Regional LDP Program Coordinator.

Leena Gupta highlighted on the various statistics, activities, initiatives, events and academic outreach of PMI India and advantages of becoming member of PMI organization.

Jitendra Roy spoke on the topic: Stakeholder Management - Challenges and Solutions and highlighted on stakeholder management basics, process involved in stakeholder management, project planning, initiation, generation, development and execution

Nilanjan highlighted on the chapter vision, mission, the various communities in PMIWB, geography coverage, activities and initiatives of PMI WB Chapter

Soumya Chatterjee spoke on the execution of Large Global Program in TCS, the challenges and achievements encountered while the execution of the same.

He highlighted on the customer relationship, stakeholder management, resource allocation, and aspects on fund mitigation, concept of large program management, complexities, risks and best practices

Chapter welcomes our new members

A warm welcome and hearty wishes for a successful career in project management.

Arpit Kumar
Raja Krishnendu Bakshi
Avantika Bansal
Sudakshina Basu
Saurav Chakrabarty
Kunal Kanti Chakraborty
Indranil Chattopadhyay
Bhaskar Chaudhary

- Ashish Jaiswal
- Ashwini Kumar
- Chiranjib Majumdar
- Salil Mallick
- Soumyakanta Mishra
- Prasanta Kumar Mohanty
- Arnab Nandi
- Mitu Roy

- Suvagato Chowdhury
- Ashis Das
- Gaurav Datta
- Bitan Ganguly
- Sobhan Sen Sarma
- Shekhar Upadhyay
- Soham Dutta
- Anirban Ghosh

Strategic Meet

The Chapter conducted its first strategic meet on 9th Aug, after the board elections. The event was attended by the board and the extended board who worked out to formulate the chapter's strategy for the year 2014-2015. The board as a whole was actively involved in discussing, reviewing and ultimately approving the plan(s) of high level strategies. The team provided valuable thoughts/ideas which gave fresh perspectives to many existing problem areas. These thoughts/ideas were questioned and analyzed from all directions to ensure that the high level strategies built around those thoughts are realistic and compatible with the organization's mission, vision and values and can enable the chapter to sustain and grow to newer heights.



Volunteer of the Quarter

"Nobody can do everything, but everyone can do something"; Chapter recognizes and appreciates the effort and support of volunteers for their contribution

Special
Appreciation as
"Volunteer of
Quarter, Autumn
2014" goes to
Bishweshwar
Dutta



Bishweshwar has helped to arrange the chapter training programs and his promotion of the chapter training programs were instrumental in generating interests among the prospective participants. An active volunteer for training portfolio, he has truly devoted his time in service of the community. His organization skills are commendable and he has helped to arrange several chapter training sessions.

Congratulations Bishweshwar Dutta!



Share your thoughts and suggestions to
pmiwbc.communication@pmiwbc.org

Visit Chapter Website <http://www.pmiwbc.org/>



[PMI West Bengal Chapter](#)