

1. As per IATA, the cost of a lost bag to an airline is estimated at \$100 per bag. This is the quality failure cost related to baggage-handling process. To help resolve the quality failures, Delta made an investment of \$100 million at the Atlanta Airport. It also incurred costs of quality in training employees on the new system, costs of inspection of the system, and general equipment maintenance as well. Delta can likely justify spending \$100 million in Atlanta. Atlanta is a major hub, and the system will last Delta many years.
2. The fact that quality is defined using the words *needs* and *deficiencies* is why two people can perceive the same product or service as having different quality levels. Needs differ from consumer to consumer, and the definition of what is deficient changes between consumers as well. Since consumers define quality differently, it is critical for businesses to “know their customer” and find what they are looking for in the products so that they may deliver on the needs of the majority of their users.
3. In this case, both sides can be right because of the dichotomy of the definition of quality. The value-based perspective on quality is about satisfying the end user’s needs, and according to the plaintiff the need for the door to hold up under stress was not met. However, the conformance perspective measures the product against pre-established standards, and the manufacturer met the government requirements which satisfy a definition of quality.
4. Statistical quality control is primarily focused on making sure that a business’s current processes are meeting predetermined specifications. According to this definition, statistical quality control would be used during the control phase of DMAIC where the focus is on monitoring the current process using statistical data analysis.
5. This occurrence must be investigated further before a potential problem gets out of hand. The caveat to this position is that a lower level of variability is desirable, so if this reduced variability is legitimate, there would be strong motivation to pursue its repeatability and recalculate control limits.