

[NIST Home](#) > [Baldridge](#) > [Milliken & Company](#)

Select Language ▾

Powered by [Google Translate](#)

Malcolm Baldridge National Quality Award 1989 Recipient Milliken & Company

Ten years ago, Milliken, a major textile manufacturer long-recognized for quality products and its use of state-of-the-art technology, asked why some Japanese competitors achieved higher quality, less waste, greater productivity, and fewer customer complaints while using technology less advanced than Milliken's. The reasons, company executives found, lay in management approaches and in personnel practices that, along with technology, drive improvements in quality and efficiency.

In 1981, senior management set in motion Milliken's Pursuit of Excellence (POE), a commitment to customer satisfaction that pervades all company levels at all locations. The results are impressive, providing improvements in what had already been an enviable record of quality and performance. In independently conducted surveys, Milliken tops the competition in all 15 measures of customer satisfaction.

MILLIKEN: A SNAPSHOT

Headquartered in Spartanburg, South Carolina, the 124-year-old privately-owned company employs 14,300 workers, or what the company terms "associates," most at Milliken's 47 manufacturing facilities in the United States. Its 28 businesses produce more than 48,000 different textile and chemical products -- ranging from apparel fabrics and automotive fabrics to specialty chemicals and floor coverings -- for more than 8,500 customers worldwide. Annual sales exceed \$1 billion.

PURSUIT OF EXCELLENCE

Commitment to quality and customer satisfaction begins at the company's highest levels, with Roger Milliken, chief executive officer, and Thomas J. Malone, chief operating officer, devoting more than half their time to Milliken's POE process.

Through the Policy Committee and Quality Council, top management creates the environment and provides the leadership for quality improvement, and it closely monitors the progress of each company unit toward quality goals.

Milliken has achieved a flat management structure in which associates, working primarily in self-managed teams, exercise considerable authority and autonomy. Production work teams, for example, can undertake training, schedule work, and establish individual performance objectives. Moreover, any Milliken associate can halt a production process if that person detects a quality or safety problem.

The approach has worked so well that Milliken has reduced the number of management positions by nearly 700 since 1981, freeing up a large portion of the workforce for assignment as process improvement specialists. There has been a 77 percent increase in the ratio of production to management associates.

Teams are a hallmark of what observers now call the Milliken Quality Process. In 1988, 1,600 Corrective Action Teams were formed to address specific manufacturing or other internal business challenges, and about 200 Supplier Action Teams worked to improve Milliken's relationships with its suppliers. In addition, nearly 500 Customer Action Teams were formed to respond to the needs and aims of customers, including development of new products. Besides demonstrating a commitment to customer satisfaction, these teams created marketing opportunities that generated substantial additional sales revenue.

Complementing its many activities to extend the capabilities of its workforce, Milliken invests heavily in training. The company spent about \$1,300 per associate in 1988. Training is also extended to Milliken's suppliers and customers. Each year since 1984, more than 7,500 visitors have received training in quality principles at Milliken's dedicated training facilities.

The recognition process, for both teams and individuals, is a highly visible, motivating force throughout the company. Recognition in many forms occurs with a wide variety of activities at all levels of the company. Participation by senior leadership is commonplace and extensive. Supplier recognition activities are a natural extension of those used within the company.

All quality improvement efforts are solidly based on factual information, contained in an array of standardized databases accessible from all Milliken facilities. Most manufacturing processes are under the scrutiny of real-time monitoring systems that detect errors and help pinpoint causes. The resultant data, some analyzed with the aid of computerized expert systems, support process improvement efforts to predict and prevent the causes of errors.

To speed progress in this area, process improvement specialists -- the reassigned production managers -- analyze and improve processes, including those in such non-manufacturing areas as billing and customer service. A substantial decrease in errors has been realized. Since 1981, a 60 percent reduction has been effected in the cost of non-conformance, which includes discounts for off quality, payment for freight on customer returns, and other cost items.

Milliken also maintains extensive databases on environmental and safety variables, suppliers, and customers, including the results of its extensive annual surveys on customer satisfaction. In addition, the company "benchmarks" the products and services of about 400 competitors, providing concrete measures for assessing its performance and for identifying marketing opportunities. Through this surveillance, Milliken determined, for example, that it trailed some competitors in meeting delivery targets. As a result, Milliken improved its record for on-time delivery from 75 percent in

example, when it ranked some companies on meeting quality objectives in 1988, Milliken improved its residential carpet quality from 89 percent in 1984 to an industry best of 99 percent in 1988.

Suppliers play an important role in Milliken's quality success. Through extensive efforts in developing supplier partnerships, the company has been able to reduce the number of its suppliers by 72 percent since 1981.

CUSTOMER RESPONSIVENESS

A key element of Milliken's approach to quality is customer responsiveness – providing what its customers need when they need it. Advanced technology developed by Milliken provides customers access to the company's state-of-the-art computer automated design system, which dramatically reduces the cycle time for new product development. Another critical element for textile users is the time to deliver sample material. Milliken's performance is considered the best in the textile business.

Roger Milliken has personally played a key role in pioneering quick response as an important strategy for American industry.

The company has been well recognized for achieving success for its customers. Milliken has received 41 major customer quality awards in the past five years, including a record five General Motors Mark of Excellence manufacturing awards. In addition, Milliken was voted the outstanding residential carpet manufacturer in the United States in 1988.

At Milliken, the Pursuit of Excellence is an evolving process that continuously yields new ideas for enhancing quality, increasing customer satisfaction, and improving business performance. Building on its quality successes, Milliken has established ambitious new objectives, called "Ten-Four" objectives, as a focus for future advances.

The company intends to achieve a ten-fold improvement in key customer-focused quality measures over the next four years. Each advance brings the innovative company closer to its long-range goal of a production system that is fully responsive to customer needs, providing, as Milliken says, "products that customers want, in the quantity they want, when they want them."

Baldrige Website comments:

baldrige@nist.gov

Date created: 08/27/2001

Last updated: 11/29/2011
