

Minister of Industry,  
Science and Technology and  
Minister for International Trade



Ministre de l'Industrie, des  
Sciences et de la Technologie et  
ministre du Commerce extérieur

# Statement

# Déclaration

92/53

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY  
THE HONOURABLE MICHAEL WILSON,  
MINISTER OF INDUSTRY, SCIENCE AND TECHNOLOGY AND  
MINISTER FOR INTERNATIONAL TRADE,  
TO THE  
CONFERENCE BOARD OF CANADA

OTTAWA, Ontario  
October 28, 1992

Good afternoon, ladies and gentlemen. I want to extend a warm welcome to this year's finalists for the Canada Awards for Business Excellence that are with us this afternoon.

Two days ago, the people of Canada turned the page on constitutional reform. I took from their answer that Canada's prosperity can and must be built within our existing constitutional arrangements. That is precisely what this federal government has been doing for the last eight years and will continue to do in the future.

A year ago at this conference, I spoke about the then newly launched, far-reaching and wide-ranging exercise to build a consensus on the future of Canada's economy: the Prosperity Initiative. Conscientiously, without fanfare, in hundreds of communities across the country, the Steering Group -- co-chaired by David McCamus and Marie-Josée Drouin -- has sought the advice of thousands of Canadians. Even as the media's focus was elsewhere, Canadians were helping this independent Steering Group build an action plan that will help Canadians secure prosperity in a rapidly changing world. That action plan will be released tomorrow by the Steering Group. It will help focus Canada's attention on what actions we need to take, together, to maintain and enhance our competitive position.

I want to acknowledge the contribution of the Conference Board of Canada to Canadians' understanding of the challenges facing us. Since the late 1980s, the Board has been leading the way in defining the competitive challenges before Canadians. In 1990 the Conference Board released its first report on total quality management (TQM), and last year came the study entitled, "Customer Satisfaction Through Total Quality." It examined the need to define the customer's needs: the so-called "hard issue" of TQM. This year the Conference Board has released its findings on the "soft issues": how to empower people within an organization.

The Prosperity consultations showed that Canadians value partnership and consensus-building; I think that the Conference Board's initiatives have gone a long way to demonstrate the value of such consensus-building.

None of us can overcome these challenges alone. Neither the federal government, nor the provinces, business nor labour, educators nor research institutions, acting alone, can meet these challenges as effectively as they can by working together. This is because there is no one solution, and there are no panaceas to be found. Canadians have seen that the so-called easy solutions do not work. Neither issuing directives about total quality commitment nor throwing tax dollars at the challenges will work. That is why building a consensus about the challenges and how to deal with them is so important. The prosperity consultations showed that Canadians understand that a total quality commitment -- with all that it entails -- will position Canada to meet the

competitive challenges of the nineties. They also see the creation of partnerships among people committed to quality as among the best ways of meeting those challenges.

Tonight, at the Canada Awards for Business Excellence (CABE), we will honour some of the companies that have shown the way. This year's Conference Board study profiles past CABE winners who have lessons to teach. These companies, and others like them, represent the cutting edge of management practices around the world. They point the way for other Canadian companies. They demonstrate how attention to quality means increased productivity, sales, and profits.

The Conference Board has studied several components of how total quality management improves performance. I would like to focus on the importance of leadership. "As employees assume more and more responsibility," the study reminds us, "there will be an accompanying transition in the role of managers away from being controllers, toward being facilitators."

This transition is taking place in the Government of Canada. Gone are the days when government tried to control the economy. The days of the National Energy Program, the Foreign Investment Review Agency, wage and price controls, and massive government subsidies to direct the economy are behind us.

In their place are measures to facilitate, co-ordinate and, where appropriate, to lead: measures to build a consensus so that we can all work together to take the decisions we need to build a prosperous future. The Government of Canada has the responsibility to provide a plan -- a vision for the kind of economy we want to build:

- o An economy that embraces the global marketplace, and does not shy away from competition;
- o An economy driven by the enterprise and creativity of the private sector;
- o An economy where well-paid, highly skilled workers use the best technology to produce products and services that can be sold around the world with a minimum of trade barriers; and
- o An economy that creates opportunities for every Canadian in an innovative, inclusive society founded upon a strong learning and risk-taking culture.

That is our vision. Canada is a rich country; our workers are among the best paid in the world. Competitiveness is about the ability of those workers to improve their skills, increase those wages, and build more high paying jobs.

In this kind of economy, we can not, we should not, and we will not compete on the basis of low wages or low standards. The only way we can compete is by ensuring that "Made in Canada" is a

label known in Canada and throughout the world for the highest quality. To do this we require a never-ending, unrelenting focus on quality.

Every Canadian organization is responsible for maintaining that focus on quality, but government can play a special role in supporting this effort. To this end, I am, today, announcing three new integrated initiatives through which the government will work in partnership with the private sector to build a total commitment to quality in Canada.

First, on behalf of partners from different sectors across Canada, I am pleased to mark the creation of The Canadian Network for Total Quality (CNTQ). The founding partners of the Network include institutions across the country that focus upon the importance of quality to our competitiveness: organizations such as the Institute of Quality Assessment, the Manufacturing Technology Centre Inc. of New Brunswick, the Winnipeg Quality Network and the Quality Council of Alberta. The partners include educational institutions such as Collège Eduoard Montpetit and the Durham College of Applied Arts and Technology. They include industry organizations ranging from the Canadian Manufacturers Association to the Canadian Trucking Association. Our co-host today, the Conference Board of Canada, will also be a partner.

These partners have been helping many Canadians make total quality part of their strategies for success. They already recognize the importance of quality to our ability to compete. The Government of Canada is very pleased to have been able to act as the catalyst for bringing these partners together. As this private sector body grows to include more partners, Canadian businesses and other institutions will have access to a still more effective total quality partnership. In this way, the federal government will be working with the network to promote total quality throughout the country.

An important initial venture of the Canadian Network for Total Quality -- the second announcement of our integrated quality approach -- is the creation of a National Quality Initiative: the NQI. The first of the NQI's functions will be to facilitate the work of the CNTQ. Among other things, they will act as a conduit for the discussion and development of "best practices." The NQI will also help to ensure that Canadians have access to those with the most experience to help them in the transformation to total quality organizations. In the coming months, watch for announcements from NQI such as the creation of a national quality strategy and publication of new promotional materials. Watch for the creation of new strategic alliances and initiatives to provide training and guidance to industry and other organizations as this quality strategy is implemented.

The third part of our total quality approach involves one of the responsibilities of the National Quality Initiative. The Canada Awards for Business Excellence will be jointly conducted by Industry, Science and Technology Canada (ISTC) and the NQI next year, with major responsibility for the program being transferred to NQI in 1994.

Part of the strength of CAFE has been the manner in which winners have been judged by their peers. They are selected by independent panels of private sector experts and senior business executives. ISTC has been proud to administer the awards since they were first introduced in 1984. They have grown to become synonymous with the best in Canadian business. By transferring major responsibility for the CAFE awards over to the National Quality Initiative, we are acknowledging that the awards have come of age. While ISTC will continue to be involved in the adjudication process, the NQI will be responsible for the promotion of all categories of the current awards.

Our objective in each of these inter-related announcements is to place the NQI in a position to highlight the importance of a total quality commitment to improving our competitive position. By enhancing the focus on quality in every category of the CAFE, the NQI will be pursuing this objective. Through the CNTQ and the NQI, Canadian organizations will have access to the skills they need to develop quality practices. Both of these bodies will pay particular attention to the need for small- and medium-sized enterprises to obtain information and advice on how to apply best management practices.

These three announcements -- the Canadian Network for Total Quality, the National Quality Initiative, and the transfer of the Canada Awards for Business Excellence to the National Quality Initiative -- reflect the advice the Steering Group received throughout the Prosperity Initiative. The Steering Group's Action Plan will be released tomorrow, but I am pleased to make these announcements today, both because this audience has shown such a commitment to Total Quality, and because the CAFE is so important to this overall quality approach.

Throughout the Prosperity Initiative, we have said that the Government would not hesitate to implement good ideas as they emerged from the Prosperity consultations. The National Quality Initiative was clearly such an idea.

In announcing it today, I would also like to pay tribute to the Prosperity Initiative's Steering Group for the work they undertook to bring the idea to light. Tomorrow, the Steering Group will outline more ideas on how Canadians can work together to prepare Canada for the 21st Century.

The Government of Canada looks forward to working with its partners in labour, business and the education community in implementing the Action Plan. We will provide leadership in the manner in which the Conference Board's report defines total quality leadership: the responsibility to facilitate, rather than control.

A leader, the report tells us, must define the framework in which individuals and teams work; a leader must establish the code of conduct to be followed; and a leader must act in a way that sets an example, and sends a signal to others.

There is another way in which the federal government can provide leadership. We are considering adopting the International Standards Organization's 9000 (ISO 9000) series of quality standards for government purchases. By doing so we would be promoting greater adherence to a TQC. ISO 9000 is a rigorous set of quality standards that apply to some 20 functions within a company. As a recent *Businessweek* article pointed out, ISO 9000 certification is increasingly becoming essential for gaining access to the European and other markets.

My colleague, the Honourable Paul Dick, Minister of Supply and Services, and I want to explore whether the federal government's procurement policies can be used to spur on the adoption of these standards in Canada. If we can find a formula that makes sense and is fair to Canadian suppliers, it could be a major impetus in increasing the spread of quality practices by Canadian business that would, in turn, have a very positive impact on our competitive position. We intend to pursue our very preliminary discussions on this complex issue in the coming months.

Ladies and gentlemen, the Government of Canada strongly believes that a real commitment to quality must be a key element in maintaining and enhancing our competitiveness in a high-wage country. The private sector must share that sense of commitment if we are to succeed.

I firmly believe that support of the Canadian Network for Total Quality, combined with the central work of the NQI, will place Canada on the road to a quality future. I am equally convinced that the increased quality focus, in all aspects of the CABE, will spread support for quality throughout the private sector. So I see today's initiatives as a very effective way in which the government can play its role in supporting the spread of the quality principles. We know that some in the private sector have already covered considerable distance in implementing total quality; you have been motivated by the demands of the marketplace.

We want to work with you as a facilitator in moving Canada toward total quality practices. We will play our part in the building of an integrated approach to quality. We will help mobilize the resources that are already available in this country: in the private sector, in the research institutes, in educational institutions.

The winners of the Canada Awards for Business Excellence have shown how, when quality principles are applied to an organization, its culture changes. As more organizations see the value of making the total quality commitment, Canada, too, will witness the same kind of transformation. The federal government will be working with the CNTQ and NQI to support their activities and to support that transformation.

Now that the Prosperity Initiative is moving into the action phase, the federal government will be working with partners to build an innovative society that creates opportunities for every Canadian. I want to urge each of you to read the Action Plan, consider how it applies to you and your organization, and work to implement it. By working together we can create a prosperous future for this great nation.

Thank you.