REPOSITIONING QUALITY FOR MANUFACTURED PRODUCTS

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55th EOQ Congress
World Quality Congress
Budapest, Hungary - June 20-23, 2011
"Navigating Global Quality in a New Era"

Repositioning: from and where?

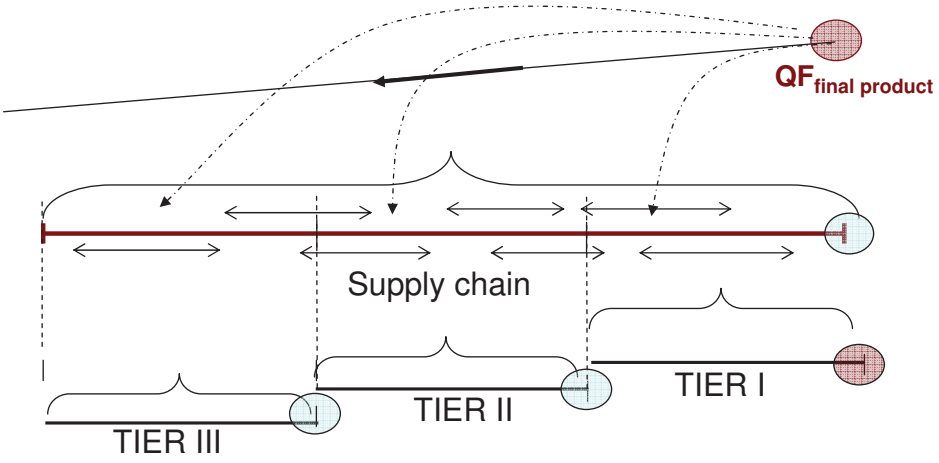
	„Old" Approach	„New" Approach
Business:	•Efficiency of the individual links of the supply chain	•Efficiency & excellence of the whole supply chain
Quality:	•End-product objective at the input-output points of the chain	• Process & business quality along the chain
System:	•For the individual company	•Throughout the supply chain

The highlight is on the quality value in the whole supply chain versus the local optimization

Quality along the whole supply chain

Fit to function

Deployment



Overlaps in defining and in controlling the fulfillment of the requirements give broader understanding of customer expectation and ensure the focus on quality function of the final product throughout the product realization stream

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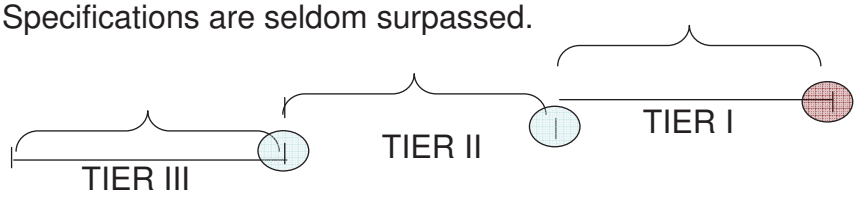
Weakness of the „old" approach

→ Suppliers may not understand the need for certain quality specifications in the product

→ Sub-suppliers comply with the specifications but not many efforts to improve quality

→ Specifications are seldom surpassed.



Quality is often subjective; highlights in interpretation of the requirements can vary between different levels within the supply chain.

Strengths of the „new" approach

→ Overlap in defining and in controlling the requirements helps the broader understanding of customer expectation

→ Ensured focus on the quality value of the final product through the product realization process

→ Importance of quality in the input-output points transforms to

- Deep audit of the preceding link along the whole supply chain.
- Upstream traceability of the corrective and improvement actions for the whole supply chain.

The same set of concepts is used along the whole supply chain, the requirement system is common, known and understood consistently on all levels

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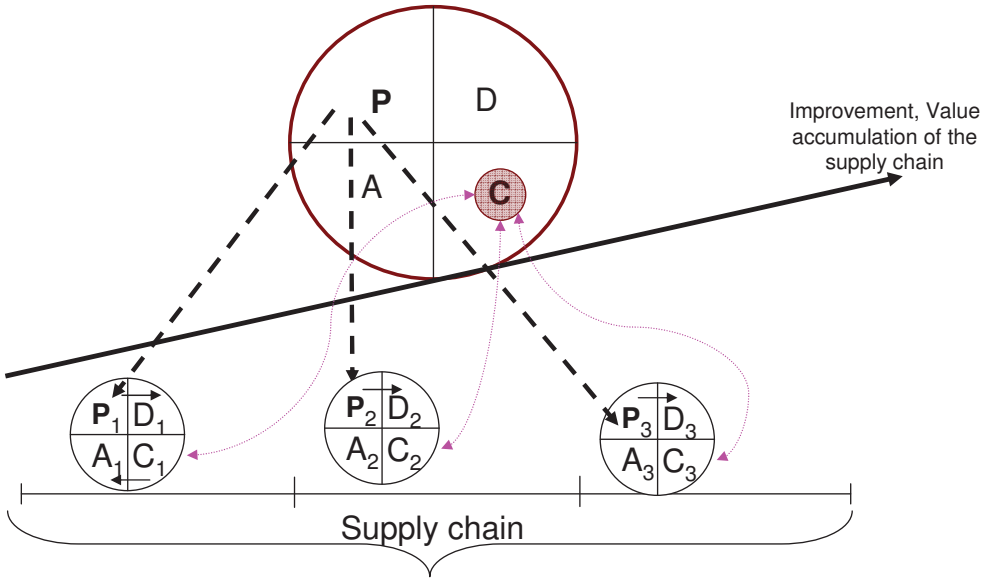
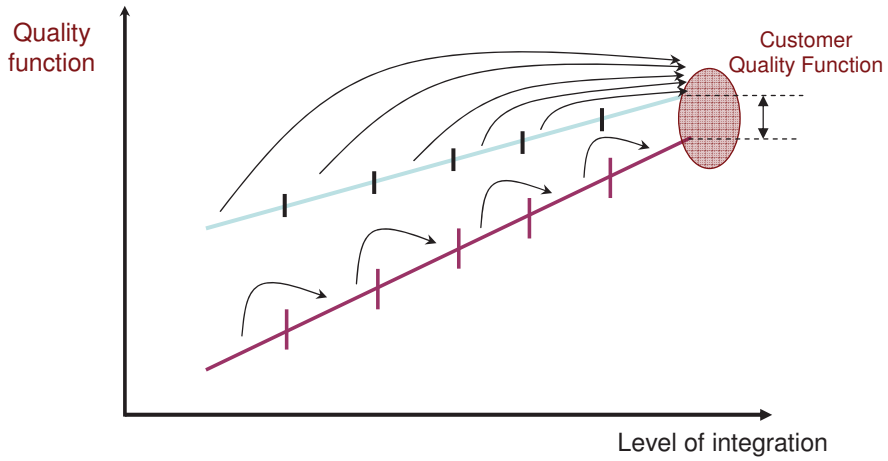
Quality Function Value and PDCA in the new approach



Upstream planning and traceability of improvements leads to considerable difference in the Quality Function of the final product

Quality function value



Innovative solutions built into the product at the early product phase represent latent customer demands and lead to increased quality function and higher customer satisfaction

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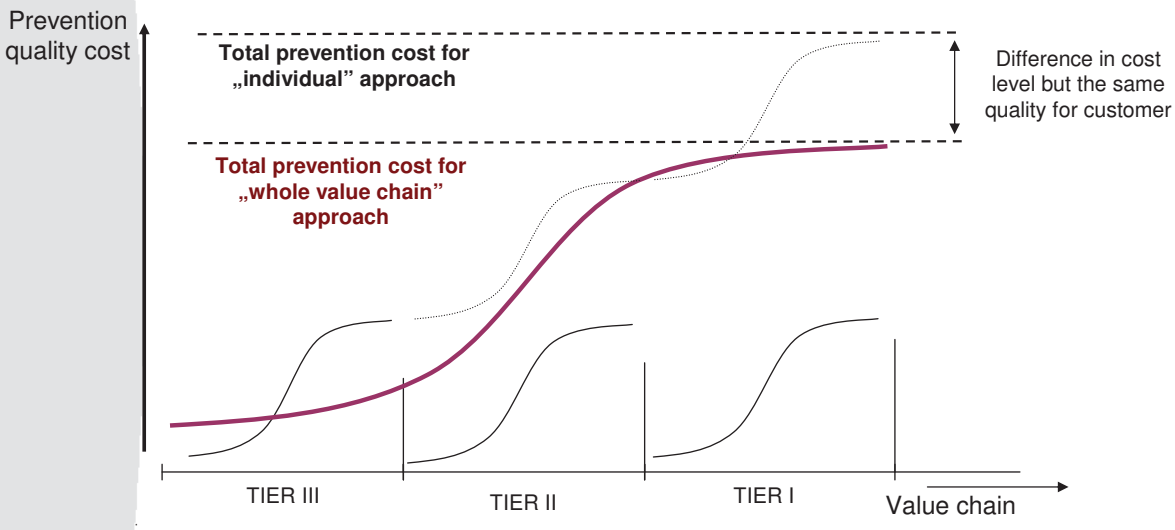
Effects on quality cost



Utilizing the whole value chain approach the same quality result can be realized with lower total prevention cost is

Supply Chain as „Product Community"

→ **Collection of people and organizations involved in the product development and product realization**

→**More than an average supply chain, has high grades on**

- **Visibility** – All participants of the supply chain are aware of the final product requirements, through open communication the "Own lessons learned" are provided as "service" toward the chain participants
- **Conformity** – All participants of the supply chain conform to industry standards
- **Capability** – The supply chain is capable of making quality products
- **Integrity** – Your suppliers are involved in your quality system

It can differentiate from the competitor and leads to an end user focused increasing spiral in quality

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Key Drivers to Reposition Quality

→ **determining quality as the "quality of the supply chain"**

→ **pursuing to become an integral part of a "product community"**

→ **achieving product and process & business quality for the whole value chain**

THANK YOU FOR YOUR ATTENTION!